

Why did Canada withdraw from the Kyoto Protocol?

A case study

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Abstract

In this thesis, I consider the following research question: *What explains Canada's withdrawal from the Kyoto Protocol?*

Canada's withdrawal came as a surprise to many, for two reasons: Firstly, Canada has traditionally been viewed as a global leader in international climate cooperation. Secondly, the announcement of the withdrawal in December 2011 meant that it would take effect in December 2012, only two weeks before Kyoto's first commitment period ended.

In this qualitative case study I seek answers to my research question at three levels – the international, the national and the sub-national. Each level draws on a different theoretical framework and points to different explanatory factors. I begin by applying the unitary actor model, then move to the theory of two-level games, and finally analyze the sub-national level through a combination of two-level games and a theory of provincial influence on Canadian federal climate policy.

I find that a combination of drastically increasing compliance costs, a change in government, and sharp resistance from oil-abundant provinces against the implementation of Kyoto, were the main causes of the withdrawal.

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All mistakes and inaccuracies remain my own.

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Abbreviations

BC	British Columbia
CAD	Canadian Dollars
CAPP	Canadian Association of Petroleum Producers
COP	Conference of the Parties
CCS	Carbon Capture and Storage
CDM	Clean Development Mechanism
GHG	Greenhouse Gases
DSF	David Suzuki Foundation
ENGO	Environmental Non-Governmental Organization
JI	Joint Implementation
IPCC	International Panel on Climate Change
NDP	National Democratic Party
NEP	National Energy Plan
NTEE	National Roundtable on the Environment and the Economy
UNFCCC	United Nations Framework Convention on Climate Change
WTI	West Texas Intermediate

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1 Introduction

In December 2011 the Canadian government announced its withdrawal from the Kyoto Protocol,¹ the world's first binding agreement for the reduction of emissions from greenhouse gases (GHGs). The withdrawal came as a surprise to many, as Canada had shown leadership in international climate negotiations since the early nineties (Böhringer and Rutherford 2010:2). Others, however, had expected the withdrawal as Canada's GHG emissions were far above its emissions reductions targets (Environment Canada 2011). Moreover Canada's oil industry was booming, and the Conservative government had shown no political will to comply with Kyoto.

The fact that no other party formally withdrew from the first commitment period of the Kyoto Protocol makes it interesting to consider the Canadian case further.² The Canadian case sheds light on the challenges that characterize international climate negotiations, especially in terms of the incentives to free ride. Canada's change of direction in climate policy stands out as a protest against what the Canadian government views as a failed climate regime (Kent 2011). Moreover, it is as a testimony to the barrier that domestic policy can represent to international climate cooperation. This thesis aims to identify the main factors that caused Canada to withdraw from the Kyoto Protocol.

1.1 Research question

This thesis considers the following research question:

What explains Canada's withdrawal from the Kyoto Protocol?

I focus my analysis around three sub-questions that seeks to highlight three complementary perspectives that together provide an answer to the research question.

- 1) To what extent can the free riding problem in the Kyoto Protocol explain Canada's withdrawal?

¹ The Kyoto Protocol will sometimes be referred to as "Kyoto" throughout this thesis.

² Canada is not alone in finding the design of the Kyoto Protocol difficult. Another example is the US, who decided not to ratify the Kyoto Protocol in 2001. Still, Canada is the only state to ratify and then withdraw from the first commitment period of the Kyoto Protocol.

- 2) To what extent can federal institutions, preferences and information explain Canada's withdrawal?
- 3) To what extent can interest groups and federal structure explain Canada's withdrawal?

The first question focuses on the international level, the second question on the national level, and the third question focuses on the sub-national level.³ Each level contributes with different explanations. Throughout the analyses, I focus on the time period between Canada's signing of Kyoto (1997) and its withdrawal (2011).

An important factor that is not incorporated in the questions is Canada's relationship with the US. The US influences Canadian policy on all governance levels, and is thus discussed in all three analyses.

1.2 Previous research

Canada's commitment to Kyoto stirred a heated debate, and Canadian and international researchers alike have contributed to an extensive literature on the subject. These contributions mainly focus on the debate surrounding Canada's ratification of Kyoto. The causes and implications of the withdrawal have not been covered to the same extent. Previous research on Kyoto in Canadian climate policy can be divided into three main strands, based on the level of analysis.

The first and most extensive research strand concentrates on the provincial level. This strand focuses on the implications of implementing Kyoto in the provinces, especially for high emission industries and provincial economy. Others have discussed how Canada's federal structure allows each province to form innovative climate policies and carbon pricing systems (Simeon 1980; Harrison 1996; Holland, Morton, and Galligan 1996; Chastko 2004; Dembicki 2012).

The second strand has an exclusive focus on the national level and the domestic implications of ratifying Kyoto. Furthermore, it discusses the prospects for nationally oriented approaches to climate policy after Kyoto (Böhringer and Rutherford 2010; Harrison 2007; Stoett 2009).

³ In this thesis, the sub-national level refers to the provinces and the interest groups that operate on the provincial level.

The third strand focuses on the intertwined relationship between the national and international levels in Canadian climate policy. I primarily draw on and contribute to this third strand. Most research in this strand has focused on how international commitments affect national climate policy and economy (Macdonald and Smith 1999; Bernstein 2002; 2008; Stoett 2009; Smith 2009; Harrison 2010). However, the third strand contains few contributions that specifically address the driving forces behind Canada's withdrawal from the Kyoto Protocol. To my knowledge, there are two important contributions that address this question, and both focus mainly on state-level explanations for the withdrawal. Bayer (2012) utilizes game theory to analyze the role of information in Canada's decision to withdraw, and shows that the economic aspect was crucial. Glenn and Otero (2013) argue that the change in government was instrumental in the Kyoto process, and emphasizes that further research should focus on the provinces' role in the decision. I follow up on this suggestion in this thesis.

Apart from the aforementioned literature, I draw on scholarly contributions that seek to explain the US decision to refrain from ratifying the Kyoto Protocol, after having signed the agreement. This body of literature is highly relevant as both withdrawal and non-ratification implies that the state first signaled a wish to commit to the agreement, but then decided not to participate. It is therefore plausible to think that some of the analytical tools applied on the US case will also be relevant for the Canadian case. Contributions such as Hovi et. al (2012) and Lisowski (2002) argue that the Kyoto agreement was not tailored for ratification in the US, and therefore proved not to be politically feasible. These contributions highlight the crucial role domestic affairs play for decisions at the international level, which in turn supports the relevance of my research design.

The contribution of this thesis

This thesis is situated between two fields of research: the field of Canadian climate policy, and the wider theoretical debates on international climate cooperation. In both research areas, contributions that specifically address withdrawal from international climate agreements are scarce.

Firstly, I seek to make a small contribution to the literature on the interaction between governance levels in Canadian climate policy. Previous studies have focused on the state level and how factors on this level caused the withdrawal (Bayer 2012; Glenn and Otero 2013). However, experts on provincial climate policy have emphasized the importance of the sub-

national level for Canadian climate policy (Harrison 1996; Rabe 2007). I thus look at both the national and the sub-national levels, and their interaction with the international level. No previous studies have –to my knowledge– investigated Canada’s withdrawal utilizing this approach.

Secondly, within the field of international relations, the phenomenon of withdrawal from international climate regimes is understudied. Although this is a case study with an aim to reach an increased understanding of Canada’s behavior, I also hope to shed some light on the challenges to international climate cooperation. These challenges have been thoroughly analyzed and theorized by many experts on climate policy.⁴ However, the possibility of withdrawal represents a potent expression of these challenges that deserves more scholarly attention.

1.3 Research design

The starting point for my research design is as follows: by exploring some of the most common assumptions and utilizing multiple conceptual models, I increase the chance of reaching a comprehensive answer to the research question. In his well-known study of the Cuban missile crisis, Graham Allison (1969) argues that the scholar brings her own “conceptual lens” into the analysis. In many cases, this lens causes the scholar to utilize one conceptual model, and she thus risks overlooking important explanatory factors (Allison 1969:689). To account for this risk, Allison utilizes three models to investigate his case, starting with the simplest form of analysis. If the first model is not able to explain the whole research question, another model may be utilized while reflecting on the perspectives applied (Allison 1969:716).

Following Allison, I apply three different models to the Canadian case. I utilize theory of collective action, theory of two level games, and theory on Canadian federalism. Together, the three analyses seek to provide a comprehensive overview of the factors that have influenced the withdrawal. A central point is that to explain Canada’s withdrawal from the Kyoto protocol, none of the three levels can be omitted.

In utilizing this approach there exists a possibility of overlapping perspectives, as some factors operate at several levels simultaneously. For example, interest groups in many cases

⁴ See for example: Yamin (1998), Barrett and Stavins (2003) or Oberthür and Roche Kelly (2008).

lobby both the provincial and the federal governments. Nevertheless, due to the decentralized nature of Canadian politics, a division of levels allows me to identify findings in a structured manner. Furthermore, identifying these overlaps is an important part of systematizing the channels of influence in Canadian politics, and I achieve this through discussing the factors level by level. I now provide an overview of the theoretical framework of each chapter.

The international level

The first analysis considers Canada's behavior through the lens of collective action theory. This perspective considers the state as a unitary rational actor that seeks to maximize its national interests and economic welfare (Barrett 2003). The international-level analysis specifically deals with the question of how the free riding⁵ problem in the Kyoto regime influenced Canada's decision. I discuss what made withdrawal attractive for Canada, and assess the options Canada had besides withdrawal. Moreover, I draw on the perspectives of the managerial and enforcement schools and discuss whether withdrawal has had any consequences for Canada (Chayes and Chayes 1993; Downs, Rocke, and Barsoom 1996). Lastly, I discuss the timing of the withdrawal. The timing is puzzling because the withdrawal formally took effect only two weeks before the end of Kyoto's first commitment period.

As will become evident, the collective action perspective serves as a necessary starting point for the analysis. The first analysis argues that withdrawing from Kyoto was the best option for Canada in a rational unitary actor perspective. However, as it was the only state to choose withdrawal, my symmetric game model falls short in explaining why Canada in particular decided to withdraw.⁶ The next step is thus to open the black box of the state and seek additional explanations at the national and the sub-national levels.

The national level

The second analysis seeks to understand the national factors that influenced the withdrawal. I utilize a two-level approach, and structure the discussion around Helen Milner's book,

⁵ I emphasize that the term "free riding" is utilized in a strictly technical sense, as the term may have negative connotations for some. I only refer to free riding in the sense that although a state fails to reduce emissions in line with Kyoto, it still enjoys the benefits of reduced emissions as other parties are in fact contributing to global reductions (Barrett and Stavins 2003:350). This feature is one of the main characteristics of the global climate problem, and what makes solving it a public good (Olson 1971).

⁶ The incentive to withdraw is the same for all states in symmetric games, as all states are assumed to have the same preferences.

Interests, Institutions and Information: domestic politics and international relations (1997).⁷ Milner provides tools to analyze domestic factors' influence on international cooperation,⁸ and represents a good framework for my analysis for two main reasons: 1) Milner (1997:11) argues that states are not unitary or hierarchical actors, but rather polyarchic by nature.⁹ In opening the state's black box, the actor perspective she provides is useful to map the central actors at the domestic level and their power to influence decisions. She divides the actors into three types: the executive (government), the legislative (parliament), and interest groups (industry associations or Environmental Non-Governmental Organizations (ENGOS)). 2) Milner further argues that three domestic factors are important: the actors' preferences, the division of power amongst them, and their access to information (Milner 1997). These factors provide a broad and relevant scope that incorporates central features likely to have influenced the withdrawal.

Institutions refer to the division of power among the legislative and the executive. This relationship is primarily shaped by each state's constitutional framework, and necessarily affects the extent to which each actor can influence decisions. I discuss the institutions' distribution of power in Canada, and show how both formal and informal rules affected Canada's decisions concerning Kyoto.

Preferences refer to "the specific policy choice that actors believe will maximize either their income or chances of reelection on a particular issue" (Milner 1997:15). I discuss each actor's preferences, and whether these changed throughout the Kyoto process. I show how government changes and ideology have influenced the Kyoto process in Canada.

Information refers to each actor's access to information about the agreement. I focus on the access to information about compliance costs, and show how this information changed significantly over time.

According to Milner (1997:17), changes in either institutions power distribution, preference or access to information is likely to affect the outcome of international cooperation. In line

⁷ Milner builds on Putnam's (1988) well known theory of two-level games.

⁸ Milner's model explains why states enter into international agreements or refrain from them. My task is to explain why Canada exited an international agreement it had already committed to. I, like Milner seek to explain why states sometimes fail to cooperate, but this subtle difference related to time, makes it difficult for me to use Milner's terms "ratification or non-ratification". I thus refer to "realization of cooperation" throughout this thesis.

⁹ Milner (1997:11) defines polyarchy as power divided between different actors. There is no single actor on the top that singlehandedly makes decisions. Power and authority is divided, and often asymmetrical. Milner's definition of polyarchy is therefore different from Robert Dahl's definition.

with Milner's theory, my second analysis finds that the major change to Kyoto's compliance costs over time and the change in government in 2011 are the national-level factors that best can explain the withdrawal.

The sub-national level

The third analysis considers two factors: interest groups and federalism. Both factors have influence at the national and international levels, but are particularly evident at the sub-national level.

Interest groups have played a key role in the Canadian Kyoto debate. Milner (1997:16) argues that interest groups' alliances with government or opposition parties influences governmental decisions. This view is important in the Canadian case, as key constellations containing interest groups and political parties have affected the Kyoto process significantly.

Federalism is an important factor in Canadian politics in general. In terms of climate policy, what separates Canada from other federal states such as the US or Germany are the different policy areas that fall under provincial jurisdiction. The Canadian constitution grants jurisdiction over management of natural resources to the provinces (Parliament of Canada 2008). Thus, all provinces with emissions intensive industries such as the oil sands¹⁰ represented obstacles for implementation of Kyoto. I discuss the role of the provinces in light of Kathryn Harrisons (1996; 2007; 2010; 2012) extensive work on the role of federalism in Canadian climate policy.

The sub-national analysis concludes that federalism represents a significant factor that represented an obstacle for implementing Kyoto.

Multi-level factor

The relationship with the US is a substantial factor in Canadian foreign policy that influences all three levels. As Canada's closest neighbor and most important trading partner, the US actions in the Kyoto process had an influence on Canada's decisions. Many therefore found it

¹⁰ The correct term to refer to the oil sands is disputed. The two most common terms are oil sands and tar sands. The government, the press and the oil industry are known to use the former and environmentalists and other skeptics of this industry primarily use the latter. A third and perhaps the most correct term, is bituminous sands, used in natural science publications and the French language press. I will however refer to oil sands throughout the thesis, as this is easier to say than Bituminous sands, and less politically loaded than tar sands. For more information about this debate, see Rowland (2011) or Glenn and Otero (2013:493).

surprising that Canada decided to ratify Kyoto even after the US announced its decision not to ratify in 2001. Thus, I investigate the US influence on each level.

Method

In terms of research methods, this thesis conducts a qualitative single case study; it offers an in-depth analysis of one state's behavior in one particular process. All studies contain uncertainty and the risk of omitting important variables. I have tried to minimize these potholes by studying Canada's withdrawal at three different levels. This structure allows me to gain a broader overview of the phenomenon than an analysis on one level alone.

My aim is to trace the links between likely explanatory factors and the observed outcome (George and Bennett 2005:5). Although causal mechanisms may be a challenge to trace in qualitative studies, the related uncertainties do not suggest that one should avoid any attempts at causal inference (King, Keohane, and Verba 1994:76). In case studies, investigating the effect of one variable while holding all other variables constant is often impossible. One is rather dependent on linking contextual evidence from various levels of analysis together, in order to determine causal mechanisms (Gerring 2007:172–173). In my analysis, these levels are the international, the national and the sub-national levels. Together, these levels provide a comprehensive overview of the important factors that help explain Canada's withdrawal.

Data

This study is based on various forms of data material. The written primary sources are a vast selection of official documents and statements. Most of the Kyoto process is well documented on the Environment Canada's web based archives. Documents from the United Nations Framework Convention for Climate Change (UNFCCC) are also utilized, as are statements and reports from interest groups. In addition, I utilize secondary literature such as scientific papers and the media. The majority of sources utilized in this thesis are written. I supplement the written material with 5 semi-structured interviews. My informants are advisors to the Canadian government and former negotiators at the UNFCCC.¹¹ At many stages of this study, the sensitivity of the Kyoto issue in Canada has been confirmed. The Canadian informants

¹¹ A complete list of the informants, their titles, and the date of the interview can be found in Appendix 1. Each informant has been assigned a number, also displayed in Appendix 1. Throughout the thesis I will refer to the assigned number of each informant.

describe a difficult environment for speaking openly about the Kyoto process. Thus, all informants have been anonymized, mostly at their own request. Granting anonymity affects the possibilities to replicate my data, but has been found to be necessary for informants to answer questions more freely, or at all. I have made it a priority to talk to people who reflect different perspectives on the Kyoto issue, but the sensitivities involved has made it difficult to gain access to individuals with firsthand knowledge about the Kyoto process. Thus, the interviews do not constitute the main data source. Rather, they are one component of my material that functions as a supplement to the written sources. In turn, this makes my arguments easier to re-examine. The interview guide is enclosed in Appendix 2.

1.4 Thesis outline

The thesis consists of six chapters of which this introduction constitutes the first. The second chapter provides a brief historical background, including an elaboration on Canadian climate and energy policy, and a description of Canada's changing position in the Kyoto Process. The third chapter analyzes my first sub-question, viewing the Canadian case through the lens of collective action theory. The fourth chapter assesses why Canada chose withdrawal in the light of Milner's theory of two-level games. The fifth chapter discusses the role of interest groups and the federal structure played in the withdrawal. Chapter six provides a summary and a concluding discussion of the findings.

2 Background

This chapter provides an overview of the context surrounding Canada's decision to withdraw from the Kyoto Protocol. Section 2.1 presents the main characteristics of Canada's political system. Section 2.2, outlines the central features of the Kyoto Protocol, a necessary foundation for understanding Canada's stakes in Kyoto. Section 2.3 discusses the development in Canadian climate and energy policy from the early 1980s until the withdrawal from Kyoto in 2011. This development provides an essential context for understanding the Kyoto process in Canada.

2.1 Canada's political system

Canada has a bicameral parliamentary system. The legislative actor in Canada consists of the House of Commons and the Senate. The members of the House of Commons (Members of Parliament) are popularly elected and each member represents an electoral district in the country. The governor general appoints the senators upon advice from the Prime Minister. The House of Commons is the dominating branch of parliament and the Senate rarely opposes its legislation, but reviews it (Parliament of Canada 2008).

Canada is a federal state comprised of ten provinces and three territories.¹² By the constitution of 1867¹³ each jurisdiction holds considerable autonomy on certain political areas. Politically, this autonomy takes the form of a separate parliament and government in each province or territory. Each provincial government is headed by a first minister, also referred to as premier.

2.2 The Kyoto Protocol

The United Nations Framework Convention for Climate Change (UNFCCC) was established in 1992.¹⁴ The parties' aim was to negotiate a binding agreement to reduce global GHG emissions. By the third Conference of the Parties (COP) set in Kyoto, Japan in 1997, the Kyoto Protocol was adopted (Chasek, Downie, and Welsh Brown 2010:187). Through Kyoto,

¹² In this thesis, I will primarily focus on the provinces, as these are the most central jurisdictions in the Kyoto matter. The territories have not to my knowledge expressed particular views on Kyoto.

¹³ The British North America Act in 1867 was Canada's first constitution. This Act was revised a number of times until the current constitution was finalized in 1982, now called the Canada Act (Legislative Services Branch 2012).

¹⁴ The number UN members are 193. The number of parties to the UNFCCC is 196 due to parties who are not officially recognized states. These are Niue, the Cook Islands and the European Union. There are 192 parties to the Kyoto Protocol.

the goal was for each industrialized country (hereafter Annex I countries) to commit to binding emissions that jointly would contribute to reducing the rate of global warming. In order to reach their emissions targets, the parties who meet a set of eligibility requirements¹⁵ are permitted to use three flexibility mechanisms to facilitate compliance (Barrett 2003:380–381):

1) The Clean Development Mechanism (CDM) allows industrialized countries to invest in renewable energy projects or other emissions reducing activities in developing countries. In exchange, the investing country receives carbon credits. Cooperation projects must facilitate a move towards a less carbon intensive economy for these countries, and result in reductions that would not otherwise have occurred.

2) Joint Implementation (JI) is a scheme to provide an incentive for countries to invest in emissions reducing activities in other countries. JI's main difference from CDM is that it involves cooperation between Annex I countries. Projects under this scheme also involve countries with economies in transition such as former Soviet countries.

3) Emissions trading allows Annex I countries to meet their targets by purchasing carbon credits from other Annex I countries with a credit surplus. The scheme aims to make it profitable to not only meet the set targets, but to create a remuneration scheme for low-emitting countries by allowing them to make a profit from selling carbon credits.

As will be discussed in chapter 3, the enforcement mechanisms in Kyoto does not sanction withdrawal, but offers moderate sanctions for non-compliance (Barrett and Stavins 2003).

Although the parties had agreed on a binding agreement to reduce emissions, discussions on the protocol's terms and conditions continued in the following COP negotiations. These discussions revealed challenges that would remain evident throughout the Kyoto process.

The protocol requires Annex I countries to limit their emissions by a total of 5.2 percent of their 1990 baseline in the first commitment period (2008–2012). In order to reach this goal, national emissions targets were negotiated for each country. Targets were set according to each party's national emissions levels. This practice resulted in a vast variation in targets, from an 8-percentage reduction for the EU, to a 10-percentage increase for Iceland (Chasek et al. 2010:187).

¹⁵ The eligibility requirements are ratification of Kyoto, having in place a national system for tracking and reducing CO₂ emissions, a system for tracking the use of emissions trading mechanisms and reporting duties (UNFCCC 2014).

The US pullout from Kyoto

One of the major players in the negotiations was the US, one of the world's largest emitters. In 1997, the US Senate passed the Byrd Hagel resolution. The resolution prevented the Senate from passing any international agreement to reduce GHG emissions that 1) did not involve equal reductions from all parties, and 2) was considered a hazard to US economy (The National Center for Public Policy Research 1997). Thus, the Byrd Hagel Resolution made sure that the Kyoto Protocol would most likely never gain a majority in the US Senate. The resolution was strongly opposed by China, India and other developing countries. In their view Annex I countries have a historical responsibility to take the first step and the largest share of global emissions reductions.

Despite the Byrd-Hagel resolution, the US signed the Kyoto Protocol the year after, and committed to a 7% reductions target.¹⁶ However, this trend was reversed by the Bush administration in 2001, when the president announced that the US would not ratify the Kyoto Protocol: "I oppose the Kyoto Protocol because it exempts 80 percent of the world, including major population centers such as China and India, from compliance, and would cause serious harm to the US economy (Bush as quoted in Chasek et al. (2010:190)". The US decision meant that at least all members of the EU, along with Canada, Japan and Russia would have to ratify Kyoto for the agreement to enter into force. The protocol finally became a reality when Russia ratified Kyoto in November 2005.

2.3 Canadian climate and energy policy

Canada's national energy plan (NEP)

The Canadian provinces and territories represent a vast diversity in terms of natural resources. The federal state structure grants each province the jurisdiction to manage its own natural resources, as well as regulating its own emissions. The resource base naturally affects each province's approach to climate policy. A good illustration of this diversity is the energy powerhouses of Quebec and Alberta. Quebec, with its high abundance in hydropower has pushed for stricter regulation of emissions. Contrastingly, oil-abundant Alberta has argued that such regulations would harm its economy. The abundance in natural resources has

¹⁶ An extensive literature exists on the US signing and subsequent non-ratification of Kyoto. See for example: Lisowski (2002), McCright and Dunlap (2003), Bang et. al. (2007) or Bhagwati et al. (2007).

brought Quebec and Alberta to have considerable influence on federal politics compared to other provinces (Harrison 1996).

Canada's GHG emissions have been steadily increasing, largely due to the oil sands in Alberta and Saskatchewan. The oil sands were commercialized in the 1960s. Since then, there has been an ongoing discussion between the federal and Alberta governments regarding who should reap the benefits of oil generation from the province. After a tripling of the global oil price from US\$14 to US\$34 per barrel in the late seventies, the Liberal government decided that action must be taken (Chastko 2004:167). The government wanted to ensure that the Canadian economy was not affected by the unpredictability of the global oil price. Thus, the Liberal government saw the need to neutralize the provincial power centers of Quebec and Alberta. To achieve this, the Liberals decided to centralize power over the oil and gas resources and introduce a national oil price to be regulated by the government. This new development resulted in the launch of the National Energy Plan (NEP) in 1980. The plan included a massive government intervention in the Canadian economy through detailed regulation plans. In turn, the NEP reflected badly on the country's oil and gas industry, causing massive cuts in crude oil production and employment (Chastko 2004:184). Realizing that the plan had to be dismantled to secure the country's energy supply, the Conservative government (elected in 1984) instead passed legislation allowing a total privatization of the Canadian oil industry in 1991. The Conservative party and the province of Alberta in particular still hold the NEP as a Liberal mistake that came close to tearing the country apart (Chastko 2004).

Climate policy introduced

Canada's commitment to combat anthropogenic climate change was formally declared for the first time at the World Conference on the Changing Atmosphere in Toronto in 1988. Conservative Prime Minister Brian Mulroney played an active role in branding Canada as a world leader on the issue of climate change (Smith 2008:48). This was followed by further commitments at the 1992 Earth Summit in Rio (Jaccard 2007:1).

Domestically, the first climate action plan, "The Green Plan", was introduced in 1990 by the Conservative government. Two main criticisms emerged with regards to the plan. Firstly, it focused on encouraging voluntary action, which was criticized by the Liberal party for doing little to reduce Canada's emissions (Smith 2008:49). Secondly, the Conservative government

reduced the capacity of the Ministry of the Environment. The department was scaled down to the point of not having the bureaucratic muscles to follow up initiatives to reduce emissions in the provinces (Bernstein 2002).

The signing and ratification of Kyoto

Canada's international dedication to climate change continued when the Liberals took office in 1993. Liberal Prime Minister Jean Chrétien had a strong personal dedication to climate policy, and signed the Kyoto agreement in 1997. The next step was ratification.

In 2001, while the debate on Kyoto ratification was raging in the US, a parallel debate was raging in Canada. Heated arguments both for and against ratification dominated public debate. Despite resistance from the opposition, industry and factions within the governing party, Prime Minister Chrétien confirmed Canada's continued commitment to the Kyoto Protocol by ratifying it in 2002 (Smith 2008:51). In ratifying Kyoto, Canada committed to reducing their emissions by 6%, to approximately 570 metric tonnes (Mt). This was an ambitious commitment, as the Canadian emissions were predicted to be at 809 Mt by 2010, roughly 240 Mt more than the Kyoto cap (Chastko 2004:231). Despite the Liberal dedication to reduce emissions, Canadian climate policy would over the next years be characterized by voluntary climate information programs and moderate subsidy programs. The Liberals to a large degree continued the policy tradition of the Mulroney government.

In the wake of Canada's Kyoto ratification, a strong opposition against Kyoto was formed between the conservative Alliance Party, the oil and gas industry and the provincial government of Alberta. The opponents' criticism of Kyoto can be summarized in four main points (Smith 2008:53–54):

- 1) The Kyoto protocol was an international agreement, not tailored to suit Canadian interests. A national "Made-in-Canada" approach would be a more plausible alternative to an international agreement, to better tailor the regulations to Canadian needs. The content of such an approach varied in the debate, but most advocated a continued focus on voluntary approach and information campaigns.
- 2) The Kyoto Protocol posed a risk to the Canadian economy by threatening the mining, oil and gas industries. Implementing the protocol would mean increased unemployment and serious financial losses for key industries, provincial governments and families.

3) As the US was not a party to the protocol, Canadian implementation would cause further economic consequences and compromise Canada's trade competitiveness. The two economies are thoroughly intertwined, and the US is Canada's number one trading partner and export recipient. Exports to the US amounted to 71% of total Canadian exports in 2011 (EDC 2012).

4) As the Kyoto Protocol did not impose binding emissions on developing countries, the agreement was viewed as unfair. Besides, the agreement only binds Annex I countries to reduce emissions. By not including emerging economies such as China and India, the agreement is incapable of ever reducing global emissions levels to an extent that combats climate change.

On the other side of the debate, the main groupings of Kyoto proponents were the Liberal Party, the National Democratic Party (NDP), the Green Party, as well as NGOs. The arguments posed by this side of the debate can also be summarized into four points:

1) Many of the initial elements that would eventually become the Kyoto Protocol in 1997, was partly shaped and negotiated during the 1988 climate conference in Toronto. This meant that parts of the agreement were in fact crafted in Canada, with significant Canadian leadership behind it.

2) In terms of economic interests, implementing the Kyoto protocol would open opportunities for establishing new green markets, which would mean employment opportunities and innovative industries that would prove profitable once invested in. This way, implementing Kyoto would not mean economic consequences anywhere near what the Conservatives had suggested, as the decrease in oil and gas production would be introduced gradually alongside a focus on establishing green industries.

3) Kyoto proponents stressed the importance of Canada taking its historic responsibility to reduce emissions. Moreover, as an Annex I country, Canada was in position to be one of the first to implement Kyoto, and could therefore show international leadership.

4) Canada's arctic areas are particularly vulnerable to climate change, and therefore in need of the world's help to avoid the consequences climate change could have for the nation. Canada simply could not afford not to cooperate.

Despite fierce resistance from the Conservatives and the industry, Chrétien managed to get a majority of votes for ratification in the House of Commons in 2002. The Liberals, the NDP

and the Bloc Québécois voted in favor. Shortly after, Canada signed the ratification of the Kyoto Protocol. Scholars have highlighted different explanations for why Canada ratified Kyoto despite polarized opinions. According to Smith (2008), this is a matter of speculation. One possible explanation is that the Liberals thought Canada could do more to affect the agreement as a party than outside of it. Membership could be a way of influencing the agreement to suit Canada's interests in the further negotiations. A second explanation could be the wish to be viewed as an environmental leader on the international arena. By showing political will, Canada would avoid some of the harsh criticisms faced by the US after their withdrawal (Smith 2008:51).

Other scholars have highlighted that Chrétien managed to obtain a majority in parliament due to a motivation to stay true to the Canadian tradition for international cooperation. Following the Kyoto ratification, Chrétien was hailed by environmentalists as courageous for going ahead with ratification after the US pulled out of Kyoto. Chrétien justified ratification by stating that it was the right thing to do (Chastko 2004:236; Hamilton 2008:568; Harrison 2007). Continuing Chrétien's legacy was Liberal Prime Minister Paul Martin, who took office in 2003. During his three-year period, the climate policy program entitled "Project Green" was introduced. This program continued to a large extent the political trend of voluntary climate initiatives. Like the climate policies introduced by previous governments, the project had very little chance of actually bringing Canada to reach its Kyoto target (Glenn and Otero 2013:496).

The Harper Conservatives take office

In 2003, the Progressive Conservative Party and the Alliance party merged into today's Conservative party, with Stephen Harper as the new party's leader (Smith 2008:52). The party continued their criticism towards Kyoto and built part of their campaign in the 2006 elections on anti-Kyoto arguments. The Conservatives won the election, and formed a minority government with Harper as the new Prime Minister of Canada. As the Conservative party's leader Harper had referred to Kyoto as a "socialist scheme to suck money out of rich countries" (CBC News 2007a). The environmental movement was now concerned with the direction Canadian climate policy would take under Harper.

Upon entering office, Harper stated that the government would not strive to meet the Kyoto targets, but nor would they pull out of the agreement. A significant difference between the

Liberal and the Conservative approach to climate policy was the rhetoric (Smith 2008). Under the Liberals, the rhetoric had been laden with normative argumentation for why Canada should contribute. In contrast, the new Minister of the Environment, Rona Ambrose, came across as a “straight-talking, forthright and provocative advocate of thinking clearly about what was wrong with Kyoto and the Kyoto process” (Smith 2008:57).

In terms of GHG reductions, there were no big changes in Canada’s efforts to reduce emissions under the Conservatives compared to the Liberal government’s approach (Smith 2008). The tradition of voluntary emissions reduction programs continued in the Conservatives’ climate policy plan “Turning the Corner” (2008). This plan had many similarities to the Liberals climate plan, “Project Green” and continued the trend of voluntary taxation on CO₂ and information campaigns. Emissions had been increasing steadily under the Liberals, and this trend would continue under the Conservatives (Jaccard 2007:1). In 2009, Canada’s greenhouse gas emissions were 17% higher than in 1990, and miles away from the 6% reduction target the country had committed to reaching by 2012 (Ljunggren 2011). One of the main drivers behind the emissions increase was the increased generation of hydrocarbons from Alberta’s oil sands.

Despite the Conservatives expressed discontent towards the Kyoto Protocol, the party held that it would not withdraw from the agreement. This view was last formally stated in 2007, in the yearly report *A Climate Change Plan for the Purposes of the Kyoto Protocol Implementation Act*. The report states that “The Government remains strongly committed to the objectives and processes for international action through the UNFCCC and the Kyoto Protocol” (Environment Canada 2007). Thus, many were surprised when the Canadian government withdrew from the agreement in December 2011. The driving factors behind this move is the topic to which we now turn.

3 The International Level: The Free Rider Problem

I begin by investigating the free riding problem at the international level. As in Allison (1969), seeking explanations through a unitary actor perspective represents the first step of my analysis. As working tools to structure this chapter's discussion, I ask the following questions:

1. What made withdrawal attractive for Canada?
2. What were the consequences of withdrawal (if any)?
3. What can explain the timing of Canada's withdrawal?

In section 3.1, I outline the theoretical foundation of this chapter (the theory of collective action), and discusses what made withdrawal attractive for Canada. In section 3.2, I consider the consequences of the withdrawal, hereunder Kyoto's enforcement mechanisms, reputation effects of withdrawal, and Canada's relationship with the US. In section 3.3, I discuss the timing of the withdrawal, and in section 3.4, I assess the explanatory power of the unitary actor model in the Canada-Kyoto case. Lastly, I close the discussion with a summary of the main points.

3.1 The theory of collective action

The theory of collective action describes the free riding problem that occurs when a group is responsible for providing a public good. A central assumption in this theory (when used at the international level) is that states are rational actors. There exist various theories of rationality. Arild Underdal states that a rational actor is one that knows "precisely, consistently and definitely what he wants" (Underdal 1984:64). Other attempts to pinpoint the central elements of the term include Jon Elster's (1983) *thin* and *broad* theories of rationality. The thin theory defines an action as rational if it is consistent with the actor's beliefs and desires. Moreover, the desires and beliefs must also be internally consistent. Desires are consistent if they are transitive: If an actor prefers *a* to *b* and *b* to *c*, she must also prefer *a* to *c* (Elster 1983:6). Furthermore, beliefs are consistent if they are not contradictory. Thus, a rational action cannot be based on intransitive preferences, weakness of will, or contradictions (Hovi 2008:18).

In the broad theory of rationality, further conditions are imposed on the actor's behavior. Besides consistency, a rational actor is also characterized by reflection and autonomy. The reflection criterion is satisfied if the actor's beliefs are in accordance with available information. The autonomy criterion entails that a rational actor's preferences cannot simply mirror another actor's preferences (Elster 1983:20).

The rationality assumption is central to my analysis of Canada's withdrawal from Kyoto. In particular, individual and collective rationality play an important role in the theory of collective action. Drawing on Hovi (1992), this section presents three main versions of the theory: the tragedy of the commons, the logic of collective action, and the prisoners' dilemma. I outline the three versions to provide an overview of central characteristics of the theory. Subsequently, I apply this theory to Canada.

The Tragedy of the commons

In his article "The tragedy of the commons", biologist Garrett Hardin (1968) explains the mechanisms behind free riding and over-exploitation of common resources. In Hardin's well-known example, the common resource is allegorized as a pasture, free for public use. Each shepherd wants to keep as many sheep in the pasture as possible, to maximize her own gain. Assuming that each shepherd is a rational individual, she will want to add more animals to the pasture as long as this is beneficial to her. However, while each added animal increases the gains for the shepherd, increasing the number of animals brings the pasture closer to being overgrazed. Overgrazing affects all shepherds, but to the shepherd who added the animal and thus gained benefits for it, the costs of overgrazing will only be a fraction of the benefits. Therefore, the rational choice for our shepherd looking out for her own self-interest is to add another animal. Assuming that all shepherds are rational and motivated by self-interest, they will all make the same choice, adding more and more animals to the pasture. And herein lies the tragedy: "Each man is locked into a system that compels him to increase his herd without limit – in a world that is limited" (Hardin 1968:1244).

Hardin's allegory illustrates the tension between collective and individual rationality. In Hardin's example as well as in the global climate scenario, one solution is to regulate the use of the commons through an effective enforcement system, in order to avoid complete destruction of it. If herding were to be regulated to ensure that each shepherd reduced her

usage of the pasture, this would secure a long-term income for all farmers, avoiding the tragedy of the commons (Hardin 1968:1247).

The logic of collective action

Mancur Olson's book *The Logic of Collective Action* (1971) discusses the conditions under which a public good can be managed through voluntary organization. While Hardin's focus is directed towards why groups tend to overexploit common-pool resources, Olson's focus is on why optimal public goods provision is hard to obtain on a voluntary basis. Olson defines a public good as "any good such that if any person in a group [...] consumes it, it cannot feasibly be withheld from the others in that group" (Olson 1971:14). This means that not even group members that fail to contribute to providing the public good can be excluded from benefitting from whatever amount of the good that is provided. Thus, the beneficiaries may be tempted to free ride, as each user can benefit from the public good without actually contributing to its provision (Hovi 1992:341).

Due to the free rider problem, each rational group member will only contribute whatever is needed for her to maximize her own benefit. However, any member that contributes to providing the public good will have to bear all of the costs of its contribution alone. Furthermore, the effort made by a single contributing beneficiary is seldom of great importance for the final outcome, particularly in large groups.

These factors result in none of the actors contributing at all, which in turn means that the public good is not provided. The outcome will thus be worse for all members than if they had created a credible scheme to organize the provision of the good. Such a scheme will not be created unless there is coercion or a separate incentive to induce them to do so (Olson 1971:16).

The prisoner's dilemma

A third version of the theory of collective action is the prisoner's dilemma. The classic version of this game has two players. Each player has two choices: comply with the agreement or free ride. Assuming that the game is only played once, free riding is each player's dominant strategy - the best alternative no matter what the other player chooses. Thus, cooperation is never realized (illustrated by values 4.1 in the bottom left cell and 1.4 in

the top right cell of Figure 3.1). This outcome is suboptimal: Both players would be better off if both were to comply (illustrated by values 3.3 in the top left cell).

		Player 2	
		Comply	Free ride
Player 1	Comply	3.3	1.4
	Free ride	4.1	2.2

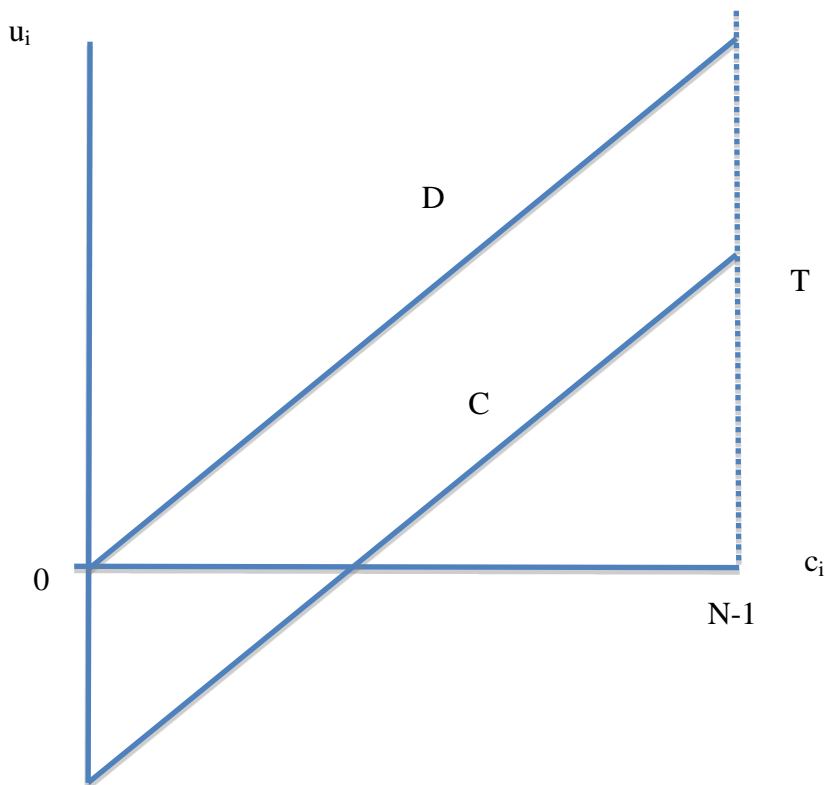
Figure 3.1: Prisoners' dilemma two-player game

As the game portrayed in Figure 3.1 is a one-shot game with simultaneous moves, it leaves no possibility for observing and responding to the other player's action. However, in repeated games the players' actions are influenced by expectations of a reward or a punishment in the future (Barrett 2003:201). If player 1 believes it will be punished for non-compliance in the future an incentive to comply becomes evident. If player 1 chooses to free ride, player 2 will almost certainly also free ride and the cooperation ends. The likelihood of successful free riding over time is therefore almost zero in repeated two-player games. Thus, the two-player model is not a good model for analyzing free riding behavior in the Kyoto regime, where the majority of players are free riders in one form or another.

The n-player game and Canada

The dynamics of collective action outlined so far provides only a basic foundation for understanding the free riding incentives in Kyoto. In the case of the Kyoto Protocol, there were 192 signatories, including the EU. In trying to understand why free riding was attractive for Canada, we must therefore consider an n-player model.

Figure 3.2 N-player prisoners' dilemma



Source: Hovi (2008:56)

Figure 3.2 shows the payoff (u_i) for one state (i) of complying (C) and free riding (D), respectively, as functions of the number of other states that comply (c_i). In line with Olson's logic, D is each state's dominant strategy: the preferred strategy no matter what the other states do. The situation where all states choose D is illustrated by the origin in the figure (Hovi 2008:55). As D is each state's dominant strategy, a situation where all states choose D is the solution to the one-shot version of this game. This means that it is rational for states not to comply. I now apply this logic to Canada.

Assume that Canada is state i . What would be the rational choice for Canada in this situation? There are 192 states, and Canada is a relatively small state with rising greenhouse gas emissions. Canada's possible contribution is small: total emissions amounted to 2% of the

world's total emissions in 2009 (Environment Canada 2013). We know that for Canada, reducing emissions would be costly. It would require a significant downscaling of emissions intensive industries, or an extensive purchase of carbon credits.

As for all states, D is Canada's dominant strategy. Should all other states comply, Canada would be better off as a free rider, because it would still reap the benefits of other states' efforts without having to pay the cost of compliance. Should all other states choose to free ride, Canada's efforts to reduce emissions would not add much to the public goods provision. In addition, Olson (1971:23) argues that it is easier to make voluntary cooperation work in small groups than in large groups. Each member of a group will only receive a portion of the benefits. If the group is large, the benefit-portion will be small for each member. Olson's skepticism towards voluntary cooperation in large groups fittingly illustrates the climate scenario. The analogy to the Canada-Kyoto case is clear: in order to comply, major costs would have to be borne by Canada while only a small portion of the benefits would pertain to Canada.

While being a free rider over time is infeasible in the two-player game, it is a real option in the n-player game. The reason is that cooperation may still be beneficial for the remaining countries even if one or a few countries free ride. As chances are that the other parties will continue to comply with the agreement, there may be great benefits to reap for the free rider (Barrett 2003:283). The n-player model thus provides one possible explanation for why Canada chose free riding in Kyoto. The fact that Canada is a (relatively) small country further adds to the benefits of non-compliance, as the contribution Canada would have represented is fairly small and cannot be said to make a big difference compared to key emitters. If one adds the impact compliance would have had on Canada's competitive advantage, the cost of compliance becomes even higher (Hovi 2008:56).

Under what circumstances can you expect a state to free ride?

In the collective action literature, two factors have been highlighted as likely to induce free riding behavior: high compliance costs and a low discount factor.

As we observed in the previous section, compliance costs are a characteristic of the climate change problem that has made free riding a constant threat to Kyoto's success. Profound uncertainty regarding compliance costs and regarding the impact of climate change are further

characteristics that increase the incentive to free ride. These factors have been important for Canada's justification of its choice to withdraw due to domestic factors. Compliance costs are thus thoroughly discussed in Chapter 4.

The discount factor reflects the parties' assessment of future costs or benefits, relative to current costs and benefits. A low discount factor means that current benefits are strongly preferred to future benefits (and that future costs are strongly preferred to current costs). Should future benefits not at all be viewed as important, the discount factor would amount to 0. In contrast, if future benefits are deemed as almost equivalent to instant benefits; the discount factor is close to 1. For most states, the discount factor will be somewhere in between these two extremes. Both future and current benefits are of importance, but impatience makes the state prefer instant benefits over future ones (Hovi 1992:345). A low discount factor may lead a state to ignore other states' future reactions to free riding behavior.

Developing countries may be expected to have a relatively low discount factor. An economy under development is particularly likely to prioritize immediate economic gains over long-term environmental gains. As a consequence, a developing country may choose a free riding strategy to reap the environmental benefits without risking a financial loss from climate action. While it makes sense to choose free riding for a developing country with a low discount factor, it does not make sense for Canada to the same extent (Informant 4). Canada is an Annex I country with steady economic growth and is thus likely to have a higher discount factor than most developing countries.

Why withdrawal in particular?

The discussion so far indicates that the rational choice for Canada is to free ride in relation to Kyoto. So far, we have only spoken of free riding in general terms. Hovi et. al (2013:141) highlights five different types of free riding behavior in the Kyoto regime, listed below. Examples of each free rider type in Kyoto are provided in brackets.

- 1) To sign but not ratify (the United States)
- 2) To ratify but not comply (to be determined)¹⁷
- 3) To ratify with targets so lenient that no action needs to be taken to meet them (Russia and Ukraine)

¹⁷ Whether the Kyoto parties have complied with the Kyoto Protocol is yet to be determined by Kyoto's Enforcement Branch.

- 4) To ratify with exemption from reducing emissions (Non-annex I countries)
- 5) To ratify and then withdraw (Canada)

Assuming that Canada did pursue a free riding strategy, why did it choose withdrawal over other free riding strategies? What these five types have in common is that they all involve not reducing emissions (or reduce them less than the agreement requires). One factor that influences which form of free riding a country can pursue is whether it is an Annex I or a non-Annex I country. As previously explained, non-Annex I countries are not required to reduce emissions and automatically falls under option 4. The Annex I countries can be divided into involuntary free riders and voluntary free riders. The former intends to comply but for some reason is not able to meet its targets. The latter has voluntarily decided that it will not participate or that it will participate without complying with its targets (Hovi, Skodvin, and Aakre 2013).

Withdrawal is an unusual form of free riding, and the act of withdrawing is voluntary. Withdrawal entails that the state has committed fully to reducing emissions in line with binding targets (the agreement has been ratified), but then decides that it will not comply with it. What options did Canada have in 2011? Assume that reaching its targets was not an option for Canada, as emissions were already high above its target (6% compared to 1990 level by 2012) and rapidly increasing.

Option 5, withdrawal, resembles options 1, 3 and 4 in that they are all voluntary options. Option 2 can be either voluntary or involuntary. Among the free rider options, the ones initially available for Canada were options 1, 2, and 5. However, for my purposes we can also rule out option 1, as Canada had already ratified Kyoto in 2002. Thus, Canada is left with options 2 and 5.

Option 2, to ratify but not comply, would entail that Canada remained a Kyoto party until the commitment period was over. In this period, little or nothing would be done to meet Canada's Kyoto target. Choosing this option would allow Canada to take part in Kyoto's flexibility mechanisms without paying the costs of participation. However, this "benefit" does in fact only matter if the state wishes to comply with the agreement. Thus, it was probably not a significant incentive for Canada. Moreover, Option 2 might entail negative reactions to ending up in the non-compliance category, as Canada could be perceived as ignoring

international law. Option 2 could also create an expectation that Canada intended to make up for its lack of emissions reductions in the next Kyoto period.

The last option for Canada was option 5. In strict legal terms, (Article 27 of the Kyoto Protocol) withdrawal meant that Canada would be acting in full accordance with international law. In this respect, option 5 differs from option 2. In terms of international reputation, what is considered the “best” option between options 2 and 5 is debatable. Two of my informants stated that with option 2, Canada would have also risked being labeled a non-compliant party. This option, he said, was most likely viewed as the “least honest solution” (Informant 1 and 2). In this view, acting in accordance with international law is the more rational option, so option 5 presented the best alternative.

3.2 Consequences of withdrawal

The one-shot game model does not incorporate reactions from other states or multinational organizations. A natural next step for this analysis is thus to look at the consequences that withdrawal might entail. International climate agreements such as Kyoto must be self-enforcing. Self-enforcing agreements are not possible in one-shot games, but are in repeated games. Self-enforcing agreements are defined by three characteristics: 1) all parties must have an incentive to stay in the agreement, 2) all states must have an incentive to comply with the agreement, and 3) the incentive to comply must endure without having to rely on external enforcement (Grundig et al. 2012:527). This means that it is not possible to force a state to become a party, and compliance must be enforced by a multilevel organization or the parties themselves (Barrett 1994:878).

I now turn to the scholarly debate on compliance in international climate agreements. The literature on states’ compliance behavior can be divided into two main strands: the managerial school and the enforcement school. These two schools represent different views on the state as an actor, what causes a state to comply, and how to obtain compliance in international climate agreements. I utilize both perspectives in considering Kyoto’s enforcement system.

The managerial school

According to the managerial school, a state will typically sign international agreements with an intention to comply with that agreement. In turn, this explains the high compliance rate

among states. Among this school's main contributors, Chayes and Chayes (1993) argue that all states have a "propensity to comply". This assumption, they argue, is more plausible than the realist assumption that every state will refrain from compliance the moment it is not in their self-interest to comply. The factors that make the managerial school's assumption plausible are efficiency, interests and norms (Chayes and Chayes 1993:178–187). The first factor refers to it not being efficient for a state to re-calculate its interests often. It is more efficient to stick to one's planned commitments, as the reputation effects of non-compliance are assumed to be strong enough for the state to want to avoid them. The second factor refers to the fact that states enter into negotiations with an aim to realize their national interests. One can therefore assume that states sign agreements when they are in line with their interests. In the third factor, the authors argue that states are to a large degree influenced by norms. There is an international norm for participating in and complying with international agreements. This norm creates an incentive to comply. Non-compliance would entail judgment from the other parties in the form of reputation effects.

In attempting to explain why some states, despite the assumptions mentioned above, choose not to comply with international agreements, Chayes and Chayes list three factors: 1) ambiguity and unclear treaty language, 2) limited capacity to comply with the treaty requirements, and 3) unexpected changes during the time period the state has to meet treaty obligations. The main assumption here is positive: a state would never intentionally sign and ratify an agreement it did not expect to comply with. Should a state end up in noncompliance, it is most likely due to unforeseen factors.

The enforcement school

Much of the criticism against the managerial school can be traced back to what is known as the enforcement school. These critics argue that the managerial school is overly optimistic concerning compliance. The enforcement school claims that states are influenced by an incentive to free ride whenever there is a possibility to reap the benefits provided by the other states. In this view, the only regulatory tools that can change state behavior are countervailing incentives (sticks and carrots).

The managerial school sees the high compliance rate as an indication of cooperation being in a state's interest. In contrast, the enforcement school argues that the high compliance rates can be traced back to most treaties offering shallow terms. Herein lies that states participating in

environmental agreements are often simply agreeing to terms they would have complied with anyway (Downs, Rocke, and Barsoom 1996:382). The enforcement school builds on rational choice theory and the logic of collective action as outlined by Olson (1971). States are viewed as unitary rational actors, and portray their own costs and benefits as the primary driver for their behavior at the international level. Thus, the state's aim is always to maximize the national net benefit, and it will choose the alternative that helps achieve this goal.

In line with the prisoners' dilemma, the enforcement school argues that if the benefits of compliance are deemed to be lower than the costs, then a state will be non-compliant. To have an effect, the consequences of non-compliance must therefore be greater than the benefits (Downs, Rocke, and Barsoom 1996:348). In contrast to the managerial school, the enforcement view holds that the only way to regulate state behavior to secure the public good is an appropriate mix of carrots and sticks (Downs, Rocke, and Barsoom 1996; Barrett and Stavins 2003:360–362). If proper enforcement measures are lacking, however, chances are that at least some states will act as free riders.

Kyoto's compliance system

After a protracted period of negotiations, the parties finally agreed on Kyoto's enforcement mechanisms at COP 17 in Marrakesh 2001. The compliance system is formalized in the Marrakesh accords. The Kyoto targets were to be enforced by the Compliance Committee, comprised of two branches: the Facilitative Branch and the Enforcement Branch. The branches' mandate is to consider questions of compliance, and such questions could be raised by expert review teams, or by the parties themselves (Finus 2008:17). The two branches represent a combination of the optimistic and the more pessimistic views on state compliance found in the managerial and the enforcement schools, respectively (Hovi 2002:3).

The Facilitative Branch's mandate is to provide advice and assistance with the aim to encourage and promote compliance among the parties. This branch also has the mandate to issue warnings when a potential situation of non-compliance with emissions targets, reporting or inventory commitments arise. The facilitation branch can also assist in mobilizing funds to help parties achieve compliance.

The aim of the Enforcement Branch is to determine whether a party is in compliance with its emissions target. Furthermore, it is the branch's mandate to determine if a party meets the

criteria to utilize the flexibility mechanisms and whether it upholds its reporting requirements. Should a party not comply with its emissions target, the enforcement branch must officially declare that this is the case. If non-compliance is declared, the party has 100 days to meet its duties. These duties can be met through reducing own emissions, or through purchasing carbon units¹⁸ that contribute to emissions reductions in other countries.

Should the party still not comply with its reduction target the Enforcement Branch must apply the following measures: 1) the amount of outstanding emissions reductions must be made up for in the next commitment period, along with an additional 30%, 2) should the party be eligible to sell carbon units, this eligibility is suspended, and 3), the party must complete and submit an action plan explaining how and by when the party intends to meet its targets. Should a party not comply with its reporting obligations that affect the eligibility to participate in the flexibility mechanisms, the enforcement branch is entitled to suspend this eligibility. The party is then entitled to request to have its eligibility restored once this problem is solved.

Barrett (2003) highlights five weak characteristics of Kyoto's enforcement system. Firstly, there is no mechanism to prevent the party from postponing additional emissions reductions to the next commitment period. In theory, this punishment can be delayed indefinitely. Secondly, the punishment for non-compliance further depends on the reduction targets in the next Kyoto period. The non-compliant party can therefore negotiate a generous emissions limit for the next period, in order to minimize the punishment. Thirdly, the non-compliance measures agreed to in Marrakesh relies on self-punishment, in the sense that only the non-compliant party itself can implement the punishment. Fourthly, Kyoto's compliance system is not legally binding. This could have been changed by amendment, but would have required the parties to ratify such an amendment (which was never attempted, and probably never will).

The final weakness identified by Barrett is the lack of consequences for withdrawing from the protocol. Any party can withdraw as long as they give a one-year notice, and withdrawal shields the party from the punishments embedded in the compliance regime. Thus, it may be perceived as an "easy" way out for any non-compliant party (Barrett 2003:386). Therefore, Kyoto's largest weakness is perhaps that it only enforces compliance, not participation. The

¹⁸ As explained in chapter 2, the Protocol's flexibility mechanisms allow parties to purchase different types of carbon quotas or units in order to meet their targets. Only parties who meet a set of eligibility criteria, can utilize these flexibility mechanisms.

enforcement system does not provide any sticks or carrots to incentivize participation. For Canada, withdrawal was most likely perceived as the source to more benefits than staying in Kyoto could provide.

Still, withdrawing from Kyoto is not completely free from consequences. In particular, some scholars claim that reputation effects may be a severe consequence of free riding. Whether this is the case for Canada in Kyoto is the next topic of discussion.

Reputation effects

As mentioned at the beginning of this section, the Managerial school argues that states have a “propensity to comply”, in part due to a strong norm in the international society for complying with international climate agreements (Chayes and Chayes 1993). It is further assumed that breaking this norm through non-compliance will induce negative reputation effects. Herein lies a presumption that the reputation effects of free riding are a strong motivator that incentivizes participation and compliance among states. According to this view, Canada would have a strong incentive to comply with Kyoto, and at a minimum to stay in the agreement. As all other signatories stayed in the agreement until the first commitment period ended, withdrawal was a harsh breach with this norm. Fearing what breaking this norm might entail for Canada, reputation effects was one of the concerns of the environmental movement after the withdrawal. Elizabeth May, Leader of the Green Party and MP commented: “At the multilateral level, who will ever think we're a trustworthy nation again? ... We will be seen as a country that deals in bad faith” (Reuters 2011a).

In contrast, the enforcement school argues that reputation effects following defection with international agreements only affects the state's reputation in that particular policy area (or related fields with similar risks for defection) (Downs and Jones 2002:95). In short, states hold multiple reputations simultaneously. If a state decides to no longer prioritize international climate cooperation, it will hardly affect its reputation in an unrelated field such as trade cooperation. Furthermore, the likelihood of defection from international treaties varies with the state's priority to that particular field:

In multilateral public goods agreements such as those that are prevalent in the area of environmental regulation or human rights, the reputational consequences of defection depend on the size of the treaty and the relative importance that states assign to it (Downs and Jones 2002:98).

As climate change gained a lower priority on the Canadian government's priority list, the reputational concerns were also reduced. Although Kyoto I was a large and significant treaty involving many parties, international climate cooperation was not a priority for Canadian foreign policy in 2011 (Cohen 2011). The reputational consequences were therefore no longer a factor strong enough to incentivize compliance, as withdrawal was not viewed as a threat to Canada's reputation in other areas.

Moreover, a state's chance of defection from a treaty is affected by the state's history with other parties to the agreement. "If a relationship is of little value to a state and produces only a small surplus, the slightest increase in compliance costs will lead to defection" (Downs and Jones 2002:97). In the case of Canada, it is clear that the country with the most influence on its policies is the US. The US's action (or inaction) on climate change can be expected to be instrumental for Canada's capacity and willingness to reduce emissions. Therefore, when the US announced that it would not ratify Kyoto in 2001, it gave the Conservatives a reason to justify withdrawal. With the US out of the pool of parties, Canada's relationships with the remaining parties (such as the EU) mainly revolved around other issues than environment (Bernstein 2002; McAskie 2011). The EU is Canada's second largest trading partner, and Informant 3 argued that for a while, there was a concern that the withdrawal could affect the Canada-EU free trade agreement. Nevertheless, in line with Downs and Jones' theory this agreement was signed in October 2013 (The European Commission 2013).

A confirmation that withdrawal indeed had few consequences for Canada can be found in the Reputation Institute's ranking for 2012. This ranking is based on media statements and opinion surveys in 50 countries, and aims to measure people's respect, admiration and affinity for countries (Reputation Institute 2012). In 2011, Canada was awarded first place in the ranking. Despite the withdrawal, the first place was maintained in the following year. Although this ranking does not say anything about how state leaders or other decision makers view Canada after the withdrawal, it gives an indication of the general perception of Canada internationally.

Although there are few indications that the withdrawal had direct consequences for Canada's interaction with other states, there were strong reactions from some countries that had taken part in the negotiations. For example, a UK government spokesperson referred to the withdrawal as "deeply regrettable" (Carrington and Vaughan 2011). Moreover, China's

Foreign Ministry spokesman Liu Weimin made the following remark shortly after the withdrawal:

It is regrettable and flies in the face of the efforts of the international community for Canada to leave the Kyoto Protocol at a time when the Durban meeting, as everyone knows, made important progress by securing a second phase of commitment to the Protocol (Reuters 2011b).

Despite such immediate reactions, there are no indications that the withdrawal has affected Canada's interaction with other states, at least not beyond the climate area.

Informant 4, the representative from the Norwegian delegation to UNFCCC stated that in the climate negotiations, Canada changed its behavior drastically in the years before the withdrawal. He characterized Canada as particularly active in the years before 2008. In contrast, after 2008 and up until the withdrawal, he characterized Canada as passive and inactive in the negotiations. Furthermore, Informant 4 adds that the withdrawal came as a big surprise to most countries, but that it has most likely not had any consequences besides negative judgment from environmental groups. Other observers I have talked to, further confirms Informant 4's view.

The relationship to the US

As previously mentioned, the Bush administration announced in 2001 that they would not ratify the Kyoto Protocol. Canada and the US have for a long time been closely integrated through the North American Free Trade Agreement (Harrison 2007). Many feared that Kyoto would fall apart when the US pulled out. It was therefore a surprise for many that Canada still went ahead with ratification in 2002. After all, with the US outside the agreement, it would become difficult for Canada alone to reduce emissions, given their trade relationship. Furthermore, the flexibility mechanisms could not be utilized on US activities.

As mentioned above, after the US pulled out Kyoto was deemed as a weaker agreement by Canada and some other states. Some parties feared that Kyoto would not have much impact on global emissions without the US, and the Conservatives' old criticism of the agreement being ineffective in fighting climate change was suddenly even closer to the truth than it had been before.

The US problem with Kyoto was mainly that it gave a free pass to high emitting countries such as China and India by not binding them to reduce emissions. This was not only viewed as unjust; it was also viewed as ineffective in terms of successfully reducing global emissions.

The US reasons for not ratifying Kyoto were very similar to Canada's criticism of Kyoto. It held Kyoto as an agreement that would harm national economies, while not being effective enough to actually reduce global emissions to a sufficient extent (UNFCCC 2013). When the Bush government announced its non-ratification in 2001, it gave the Conservatives, who had uttered strong skepticism towards Kyoto, a good reason why Canada should not be expected to implement the Protocol. Informant 4 emphasizes that Canada joined the US in attempting to influence what was viewed as an unjust design of Kyoto. According to the two countries, developing countries such as China, India and Brazil should be required to commit to reductions after achieving a certain level of economic growth (Kent 2011). This view was a new development under the Conservatives, and is another confirmation of Canada's foreign policy aligning more with the US than it did under the Liberals (Informant 1).

3.3 The timing of the withdrawal

Given that the Conservatives government wished to withdraw from Kyoto, why did it do so only in December 2011? Part of the reason can be found in the Protocol's Article 27:

1. At any time after three years from the date on which this Protocol has entered into force for a Party, that Party may withdraw from this Protocol by giving written notification to the Depositary.
2. Any such withdrawal shall take effect upon expiry of one year from the date of receipt by the Depositary of the notification of withdrawal, or on such later date as may be specified in the notification of withdrawal (Kyoto Protocol 1998:18).

The article explains why Canada did not wait longer - withdrawing in December 2011 enabled Canada to be legally out of Kyoto by December 2012, right before the first commitment period ended. However, it does not explain why Canada did not withdraw before. As we have seen, the Conservatives had opposed Kyoto since its inception, and in 2011 the Conservatives had been in government for five years. At least three possible explanations exist for waiting until the last minute.

Firstly, the Conservatives may have found that withdrawing at the end of the period would minimize the amount of reactions to the withdrawal. Had Canada withdrawn long before the commitment period ended, it could have been seen as not living up to its responsibilities and as unwilling to utilize the time left to attempt to reach compliance. By withdrawing literally 15 days before the deadline, Canada achieved all the mentioned benefits of withdrawal while at the same time reducing the reputation effect to a minimum. Informant 2 confirms that this

is likely to have been one of the reasons behind the timing - Canada hoped for “a quiet exit”. He further stated that the withdrawal was not exactly expected by the negotiators in the years before the withdrawal, as the message to the delegation was that “we are party to the protocol, we are engaged”. Furthermore, it was not Informant 2’s impression that the withdrawal was much debated at the public service level. It was a quiet move that clearly stood out to the politicians as the best solution.

A second possible explanation is that Canada wanted to take part in the negotiations for as long as possible, with an agenda to influence the process. Canada announced its withdrawal only one day after the Canadian delegation returned from COP 17 in Durban. Green Party Leader and MP Elizabeth May stated at a press conference after the withdrawal:

The timing of this is perverse. Peter Kent, our environment minister is just back with a delegation of over 70, and the government delegation negotiated in many rooms, and I watched their negotiators, in each room, making the agreements weaker, obstructing progress, and all the while pretending to be a Kyoto party. [...] My analysis of this is that Canada wanted to do the maximum amount of damage to the future agreements in which we would not participate (May 2011).

May’s view represents a perspective that Canada has acted misleadingly in the international climate negotiations. This view can also be traced in this statement from the small island state of Tuvalu: “For a vulnerable country like Tuvalu, it’s an act of sabotage on our future” (Reuters 2011b).

A third possible explanation is that the timing of the withdrawal was a consequence of the Canadian election results in 2011. In this election, the government constellation changed from a minority to a majority. As a result, the government now had parliamentary backing for their decision. I will elaborate on this discussion in Chapter 4.

3.4 States as unitary actors

This chapter has discussed Canada’s withdrawal from Kyoto through a unitary actor model. In the formal version of this model, the state is viewed as a unitary entity that makes rational choices in order to maximize its own interests. Underdal states:

[When] applied to complex organizations like states, the assumption of unity or “one-ness” implies, strictly interpreted, that public policy is assumed to be based exclusively on one “mind set”, including *one* utility function and *one* belief system (Underdal 1984:67).

This assumption is problematic, as diverging interests usually exist within a state and may be advocated by political parties, interest groups, or individuals. When applied to the real world,

the unitary actor model therefore risks overlooking domestic factors that may be instrumental for understanding the phenomenon under analysis. According to central contributions in both the study of international cooperation and Canadian climate policy, it is likely that domestic diverging interests have had a significant influence on the Kyoto withdrawal (Bernstein 2002; Harrison 2007; Smith 2008; Harrison 2010).

However, many scholars argue that the assumption of the state as a unitary actor can be a simplification of reality. This view is in accordance with the methodological principle of always beginning an analysis with the simplest form of a model (Allison 1971; Skjærseth 1995; Underdal 1998). In other words, the unitary actor model serves as a useful first step in explaining Canada's withdrawal from Kyoto, and the findings from this chapter serve as a useful part of the picture. Still, in order to increase our understanding of the whole picture we must see this perspective as complementary to the perspectives applied in the sub-sequent chapters.

3.5 Summary

This chapter has discussed Canada's withdrawal through the lens of collective action theory. In the beginning of this chapter, I asked three questions which can now be answered:

1. What made withdrawal attractive for Canada?
2. What were the consequences of withdrawal?
3. What can explain the timing of the withdrawal?

Firstly, after a theoretical overview of the central versions of the collective action theory, I discussed the Canadian case in light of the n- person prisoners' dilemma. Following Olson's (1971) logic of collective action, the fact that there were many states involved in the agreement increased Canada's incentive to free ride. Free riding was further attractive because the costs of compliance were high, and because Canada's impact on the global climate is small. For Canada, withdrawal was an even more attractive option than other forms of free riding behavior.

Secondly, Kyoto's enforcement system provides only weak incentives for compliance and none at all against withdrawal. In line with the enforcement school, this means that Kyoto's enforcement system facilitates free riding behavior, and that withdrawal is a more attractive option than ending up in non-compliance. Furthermore, I found that withdrawal entailed few

consequences for Canada in terms of reputation effects. Canada's withdrawal and the lack of consequences it entailed contrasts with the managerial schools claim that reputation effects are a strong incentive for states to not defect from international agreements.

Finally, assuming that Canada planned to withdraw from Kyoto, the timing of the withdrawal is not surprising. December 2011 was the latest they could give notice of withdrawal. Moreover, withdrawing at this time helped minimize the negative effects of withdrawal.

The analysis has so far provided a first cut into the rationale behind the withdrawal. Still, we do not have the answer to why Canada in particular was the only state to withdraw from Kyoto.

4 The National Level: Institutions, Preferences and Information

Chapter 3 analyzed international-level factors behind Canada's withdrawal from Kyoto. Focusing on the free riding problem, the analysis concluded that it was rational for Canada to withdraw from Kyoto. This conclusion, however, also holds for many other Kyoto parties in my model. I now seek answers at the national level. I take the increased free riding incentives into account when I now continue by opening Canada's "black box". In order to analyze Canada's Kyoto process at the national level, I ask the following questions based on Milner's (1997) theoretical framework:

1. Was the withdrawal influenced by the distribution of power between political institutions?
2. Was the withdrawal part of a change in Canada's foreign-policy preferences?
3. Was the withdrawal influenced by changed information about Kyoto's compliance costs?

Section 4.1, provides the theoretical background for the national-level explanations that I seek in this chapter. Section 4.2 considers the distribution of power between the executive and the legislative concerning Kyoto. Section 4.3, looks at whether Canada's preferences in foreign policy has changed over time, and to what extent the withdrawal from Kyoto can be said to be part of such a development. In section 4.4, I discuss the importance of uncertain information about Kyoto's compliance costs and how changes in the costs over time influenced the withdrawal. Lastly, I summarize this chapter's findings.

4.1 Two-level games: foreign policy and domestic affairs

One of the central debates in the international relations literature concerns the importance of domestic affairs in foreign policy.¹⁹ In Robert Putnam's (1988) well-known theory of two-level games, he argues that the state is not a unitary actor. Domestic actors pressure the government into deciding on policies that are in line with their interests. Decision makers

¹⁹ For a more extensive overview of the discussion of domestic policy's role in explaining state behavior at the international level, see for example: Fearon (1994), or Evans et al. (1993).

must thus be concerned with pressures from the international and national levels, simultaneously (Putnam 1988:434).

Milner (1997) builds on Putnam's model in her two-level approach, but focuses on a more detailed analysis of the landscape of national actors, and systematizes the relationship between them. She argues that understanding this relationship is the key to understanding under what circumstances cooperation can be realized. International cooperation creates winners and losers at the national level and cooperation between states is influenced by this internal power structure. Milner argues that the notion of the varying constellations of national actors helps explain why states act differently, even under the same external circumstances (Milner 1997:10).

The most important difference between a unitary actor model, utilized in the previous chapter, and a domestic politics model is that in the former, the decision maker seeks to maximize national welfare, while in the latter the decision makers seeks to maximize domestic political support (Underdal 1998:12). This assumption is in line with Milner's claim that all actors seek to maximize either electoral or financial support. The national actors are divided into three types: the legislative, the executive and interest groups. Milner further argues that the various actors often have diverging preferences and varying degrees of power to influence decision-making.

As explained in the introduction, Milner identifies three factors that help explain international cooperation. Each of the questions above is derived from Milner's factors: First, the distribution of power between the legislative and the executive is important to understand an international outcome. Second, domestic actors' preferences concerning foreign policy are instrumental (Milner 1997:17). Third, the distribution of information between domestic actors is important in realizing multilateral cooperation.

Milner argues that if one factor changes significantly, it will likely have an impact on the realization of international cooperation. I therefore assess whether each of the three factors experienced considerable changes during the Kyoto period (1997-2011). Furthermore, Milner (1997:17) stresses that the realization of cooperation is determined by which actor is the most dovish (has preferences in line with the agreement), or hawkish (has preferences in conflict with the agreement). In the Kyoto debate, the hawkish actor was represented by the Conservative government, while the Liberals and the other pro-Kyoto parties in the legislative

represented the most dovish actor. Thus, I assume that if the most hawkish actor holds the dominating power to influence decisions, international cooperation is less likely to be realized.

4.2 Distribution of power between institutions

Situations where the executive and the legislative have diverging interests are by Milner referred to as “divided government”. Milner argues that divided government increases the chance of cooperation not being realized, as the influential power of both actors often gives them veto power (Milner 1997:17).²⁰ Should preferences diverge among these two institutions, and the power distribution changes from the most dovish to the most hawkish actor, it is likely that this will affect the realization of international cooperation. It thus becomes important to determine which actor has the most power to control foreign policy decisions.

Canada has a majoritarian parliamentary system, which in general means that divided governments occur more seldom than in proportional representation systems. This is because the prime minister and the government are usually backed by a majority in the House of Commons, and therefore dominate political decision-making (Lijphart 2012:7). However, the period between 2006 and 2011 was characterized by minority governments in Canada, and thus more decision making power was allocated to the parliament. Therefore, the divided government term is relevant when analyzing the Kyoto case. Furthermore, the polarized opinions on Kyoto between the legislative and the executive further strengthened this “division”.

At the time of withdrawal (as well as today), five parties were represented in the Canadian parliament: The Conservatives, The Liberals, The National Democratic Party (NDP), Bloc Quebecois and the Green Party. The second largest party is the official opposition, and possesses the formal responsibility to supervise the executive’s actions. Under the Liberals

²⁰ The term divided government is perhaps most clearly illustrated in presidential system situations where the president’s party does not hold a majority in congress. I still use this term, as Milner emphasizes that there can be degrees of divided government, depending on the political system it is applied to (Milner 1997:17).

the Conservatives were the official opposition, and the National Democratic Party and Bloc Québécois were the other opposition parties represented in Parliament. On a political right-left scale, the NDP is furthest to the left of the Canadian parties. The Bloc Québécois is a center-left party with a regional anchor in the province of Quebec. The Liberals are ideologically a center party, with a social policy that places them more towards the left than towards the right. The Conservative party is the only party entirely placed on the right side of the scale. After the 2011 elections, the Green Party received a record amount of votes and won one seat in Parliament. At the federal level, the NDP, the Green Party, the Liberals and Bloc Québécois are pro-Kyoto, while the Conservatives are against the implementation of Kyoto, as shown in table 1 below (Smith 2009).

Political parties in parliament	Left/Centre/Right	Stance on Kyoto	Seats in parliament 2011
Bloc Québécois	Centre	For	4
National Democratic Party	Left	For	103
The Liberal Party	Centre-left	For	34
The Conservative Party	Right	Against	166
The Green Party	Centre-left	For	1
			Total: 308

Table 4.1: Canadian parliamentary parties' official Kyoto opinion
Sources: Harrison (2010) and Elections Canada (2011)

In most countries, international treaties need a simple or qualified majority vote in parliament to become ratified, and the legislative's support is therefore crucial for ratification to occur. The legislative consequently has the power to stop ratification, should this be against the majority's wish. Milner (1997) states that international cooperation is more likely if the political actor with interests aligned with the agreement holds the most power. In Canada, the parliament's role in foreign affairs is limited and dominated by the executive:

Activities relating to the conduct of foreign affairs – such as: receiving and sending diplomatic representatives, conducting international negotiations, concluding and approving treaties and other international agreements, and even declaring war – all fall within the royal prerogative of the Crown, which is today exercised by Cabinet (Parliament of Canada 2008).

As the power to ratify an international agreement resides entirely with the executive in Canada, a vote in parliament was not legally required to ratify Kyoto. Still, it is customary to bring sensitive issues to a vote in parliament even though the government is not legally obliged to do so. This norm is strong, but advisory:

It is important to note that passing treaties through the House of Commons remains a courtesy on the part of the executive, which retains full authority to decide whether to ratify the treaty after the parliamentary review. The policy states clearly that in exceptional cases the executive may have to ratify treaties before they can be tabled in Parliament (Parliament of Canada 2008).

Although he did not have to do it, Liberal Prime Minister Chrétien brought Kyoto to a vote in parliament. This was deemed as necessary due to the considerable resistance against Kyoto, particularly from opposing parties and industry (Harrison 2010:7). In 2002, the Kyoto Implementation Act was passed in parliament with a vote of 195 to 77 in the House of Commons in 2002.

Canadian Governments 1993-2013			
Year	Governing Party	Prime Minister	Minority/Majority
1993-1997	Liberal	Jean Chrétien	Majority
1997-2000	Liberal	Jean Chrétien	Majority
2000-2004	Liberal	Jean Chrétien	Majority
2004-2006	Liberal	Paul Martin	Minority
2006-2008	Conservative	Stephen Harper	Minority
2008-2011	Conservative	Stephen Harper	Minority
2011-	Conservative	Stephen Harper	Majority

Table 4.2: Canadian governments 1993-2013

Source: Elections Canada (2014)

The Senate approved Kyoto shortly after. This “win” was due to the number of Centre-left seats in Parliament (Bloc Québécois, the National Democratic Party and the Liberal Party). As showed in Table 4.1, these parties were all pro-Kyoto.

The Canadian norm for voting over ratification of international treaties in parliament shows that even though there is no formal parliamentary power to veto international agreements, parliamentary backing is important for the government (Informant 5).

As an opposition party, the Conservatives had repeatedly stated that they wished to withdraw from Kyoto. When they formed a minority government in 2006, five years would pass before they acted on this wish (Table 4.2 provides an overview of Canadian governments from 1993 to 2013). The formalities around the withdrawal depend on the states' own legal framework. Thus, one explanation for waiting could be the norm of not acting against the parliament on international issues. Because withdrawal is an unusual action, the norm of consulting with the parliament is unclear (Informant 5). Upon giving notice of its withdrawal in December 2011, Environment Minister Kent rightly stated that the withdrawal was each party's legal right (Kent 2011). No vote was held in parliament before the notification was issued.

In a petition later that year, the ENGO One Earth Initiative asked Kent why there was no vote in parliament before the withdrawal. As explained above, the executive has the power to ratify agreements without voting it over in the House of Commons, but usually does so to ensure support. Minister Kent answered the question by referring to the legal framework:

Withdrawal is a legal provision under the Kyoto Protocol itself under Article 27, and can be exercised unilaterally by a Kyoto Party at any time. Withdrawal is a policy decision to be made by the government of the day. It is not a legislative act to be made by Parliament. To effect withdrawal, a notification of intention to withdraw must be transmitted to the Secretary-General of the United Nations (Office of the Auditor General of Canada 2012).

If we compare Kent's statement to Chrétien's parliamentary consultation before the Kyoto ratification, it appears as if the legislative's role in international treaty matters varies depending on the executive. Still, the Conservatives did not withdraw immediately, but waited five years until they had gained a majority in parliament. Explanations for the timing of withdrawal were discussed in 3.3, but yet another possible explanation can be identified at the national level. Was the wait motivated by sensitivities Kyoto represented? Two of my informants confirmed that the sensitivities around this issue at the time are likely to have motivated the Conservatives to wait until they had gained a majority, and thus backing in the parliament for withdrawal. It is likely that the government felt that they needed to follow the norm of not going against the parliament in sensitive issues (Informants 1 and 3). The Conservatives knew that the Kyoto-friendly opposition parties would oppose withdrawal,

jeopardizing their support in other important issues. The late withdrawal therefore indicates that the Conservatives prioritized a good relationship with the legislative and stayed in Kyoto.

In light of Milner's divided government term, the sharp changes that came with the elections between 2006 and 2011, favored the most hawkish actor. In short, the influential power of the anti-Kyoto Conservatives first increased when they won the election in 2006 and further increased the likelihood of withdrawal in 2011 when the Conservatives won the majority.

4.3 Preferences

The previous section established that the elections of 2006 and 2011 changed the power distribution in favor of the most hawkish actor. Milner (1997:16) argues that changes in domestic actors' preferences are likely to affect international cooperation. Seeing the withdrawal in a broader context thus becomes important in order to understand the policy environment the withdrawal happened within. As many scholars have pointed out, state governments' primary interest is to stay in office. It can thus be expected that they comply with their voters' wishes to increase the chances of reelection (Erikson 1976; Milner 1997; Underdal 1998; Munton and Keating 2001). A good starting point is therefore to look to the voters' opinion when seeking to understand Canada's foreign policy preferences.

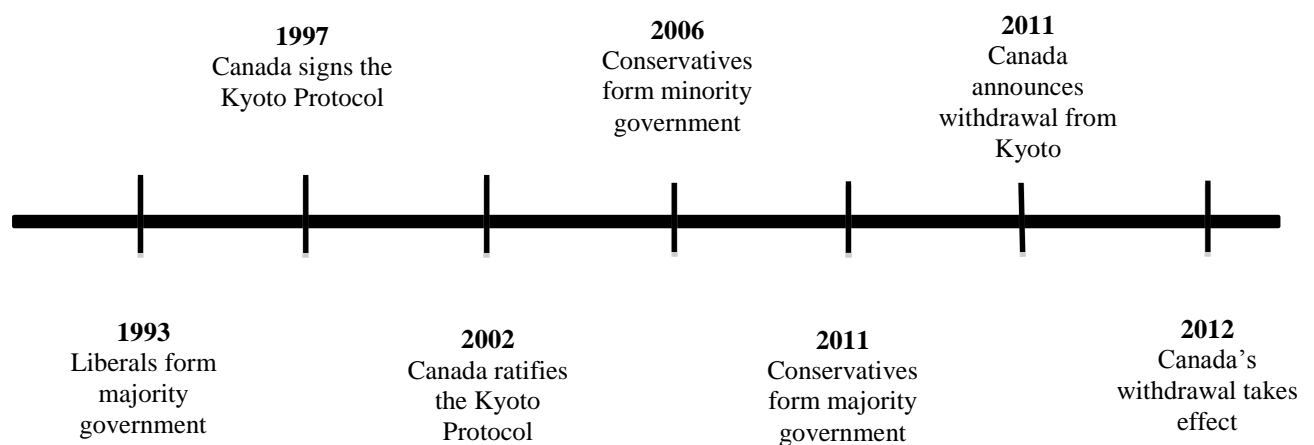
Developments in public opinion

Milner (1997:16) emphasizes that public opinion on international cooperation is likely to affect the foreign policy decisions. Thus, if public opinion reflects a low salience of environmental issues, the chances of withdrawal would be higher than if public opinion reflected a strong commitment to environmental issues.

A dedication to environmental issues has traditionally not been very high on the agenda in Canada. A poll carried out just before the ratification in 2002, revealed that only 8% of respondents viewed environmental issues as "the most important challenge for Canada". In contrast, 33% chose health care as their main concern. Despite a relatively low concern for environmental issues, polls that specifically addressed Kyoto revealed that most Canadians supported ratification (Harrison 2010:5). Although the Conservative government of Alberta launched an extensive anti-Kyoto campaign to prevent ratification, the support for ratifying Kyoto only declined from 79% to 73% compared to the year before. The number bounced

back again to 79% during a parliamentary hearing on Kyoto the same year (EKOS 2002, Harrison 2010). Although Canadians showed a relatively high support for Kyoto, polls further revealed that people had little idea of the implications of ratifying the agreement. Harrison argues that the numbers diverge because the Kyoto debate was high on the media agenda, but that environmental concern in general remained low. A poll from 2003 showed that only 50% of the respondents were aware that Kyoto had been ratified, even after the heated debate had been raging in the media (Harrison 2010:5). The main events in the Kyoto process are summarized in Figure 4.1.

Figure 4.1: Canada and Kyoto Timeline



Source: Government of Canada (2012b)

Opinion polls from 2011 show that concern for economic issues and employment has increased since 2002. 42% of the respondents listed economic issues and jobs as the most important issues facing Canada, as opposed to 33% the year before (Harrison 2010). Only 7% listed environmental issues and Kyoto as most important, a number that has remained relatively stable since 2002 (EnviroNics Institute 2012). The concern for economic issues and employment is likely to be connected to the global financial crisis from 2007 to 2010, which in turn left room for the government to increase the focus on domestic concerns rather than international issues.

One of my informants highlighted the Liberal's election campaign in 2008 as another example of the public's indifference towards environmental policy in this period (Informant 2). The Liberal party based large parts of their campaign on environmental policy, and the need for a national carbon tax and manifested this priority in a climate policy plan entitled "The Green Shift". Former minister of the Environment, Stéphane Dion proposed a

comprehensive plan for reducing carbon emissions. The plan did not reside well with the electorate, and was characterized as a giant “flop” (CTV News 2008; Harrison 2012).

The change in the electorate’s concerns was reflected in the election results of 2011 when the Conservatives gained a majority (election results are displayed in table 4.3). However, in the same election the Green party entered parliament with one MP for the first time, and the Kyoto-friendly NDP for the first time surpassed the Liberals and became the official opposition. This development shows that an increased amount of votes did move away from the Liberals and on to the parties in favor of an even more radical climate-policy (see table 2). The results indicate that although the majority of voters supported the Conservatives, the electorate was more divided on the environmental issues than before (Walsh 2011).

Table 4.3: Official results of the 2011 election

Party	Percentage of Votes	Distribution of seats
Conservative Party	39.7%	166
Liberal Party	18.9%	34
Green Party	3.9%	1
Bloc Quebecois	6.1%	4
National Democratic Party	30.6%	103
Total	100%	308

Source: Elections Canada (2011)

According to Milner (1997:16), policy makers are more likely to decide on international cooperation if the public strongly shows their support.²¹ One can therefore argue that the indifference showed by the public on environmental issues left room for the government to define the content of Canadian climate policy.

Change in foreign policy preferences

The Liberal and subsequent Conservative governments had different approaches to climate policy at the international level; the Liberals ratified Kyoto, the Conservatives withdrew. The approach to climate policy is an expression of the government’s preferences and perception of

²¹ The effect of public opinion on foreign policy is backed up by several scholars (Erikson 1976; Page, Shapiro, and Dempsey 1987; Milner 1997; Page and Shapiro 2010).

national interests. Canadian foreign policy has traditionally been viewed as *internationalist*.²² Two main features characterize internationalist foreign policy (Nossal 2009; Smith 2009). Firstly, multilateralism is a key feature of internationalism, measured through the state's participation in multilateral agreements. Good international citizenship is the second feature, meaning that the state prioritizes participation in idealistic causes such as foreign aid and peace operations. International climate cooperation falls under both these criteria (Nossal 1998:100; Smith 2009:59).

There exists a relative consensus that Canada has been gradually moving away from this image in its foreign policy (Informants 1 and 4). I am interested in to what extent the Kyoto withdrawal was in line with broader changes in Canadian foreign policy. Thus, I look into the priority given to international climate cooperation under the Liberals, as compared to the Conservative government.

Multilateralism

According to Smith (2009:62), multilateralism refers to participation in multilateral organizations. A number of Canadian scholars argue that Liberal PM Chrétien contributed to a reduction in Canadian multilateral participation already in the nineties (Rioux and Hay 1998; Nossal 1998; Munton and Keating 2001; Demerse 2009). This isolationism came in the shape of rather extensive cutbacks in all “soft” foreign policy areas, such as foreign aid and climate change. As a consequence, Canada was accused of gradually retreating from the international society years before Harper entered office. Still, Canada remained an active participant in climate change discussions in multilateral fora such as the G8, the UN, The Asia-Pacific Partnership (APP) and the major Economies Forum (Smith 2009:62).

Former foreign affairs officer Carolyn McAskie (2011:6) argues that Canada has been reducing its multilateral activities both under Liberal and Conservative governments, and has been characterized by “reductions in financing of international diplomacy and development”. Given the large number of institutions Canada was a party to, the involvement naturally had to decline with less resources allocated. The next step was to downplay multilateral activities that were not in the national economic interest, resulting in a limited presence in multilateral negotiations and institutions (McAskie 2011:6). In a statement on the future of multilateral

²² A number of scholars from different traditions have debated the definition of internationalism in the case of Canada. I will not get into this discussion here, as it is not central for my research question. For an overview of this debate, the following contributions should be consulted: Nossal (1998), Munton and Keating (2001), Smith (2009), or Cohen (2011).

development cooperation, former minister for international cooperation, Ms. Beverley Oda stated: “Our government, through CIDA, will continue to support and work with multilateral organizations that are effective and efficient and aligned with our government's policies (DFATD 2011)”. The statement shows a clear priority to national interests in international development, and sends a message that some multilateral organizations may not be directly in Canada’s interest to be a party to.

Canada’s has withdrawn from two international treaties in the last few years: the Kyoto Protocol in December 2011 and the UN anti-drought convention in March 2013. These withdrawals suggest a declining priority of multilateral participation. This point is further strengthened by the fact that Canada in both cases is the only party to have withdrawn from the agreement.

The official reason for withdrawing from the UN anti-drought convention was: "membership in this convention was costly for Canadians and showed few results, if any, for the environment" as stated by a representative for International Co-operation Minister Julian Fantino (CBC News 2013a). This view has similarities to the Kyoto position; the main message is not a complete move away from multilateralism, but a move away from what is viewed as ineffective agreements for preserving Canadian interests. Finding alternative ways to solve the climate challenge has been repeated as Canada’s preferred solution by several members of the Harper government – the message being that “Kyoto is not the only game in town” (Office of the Prime Minister 2007; Environment Canada 2007). Instead of the UN-agreements, the Harper government prioritized other international projects that they claimed would deliver more environmentally effective results (Informant 2). None of these projects include binding emissions reductions targets.

Good international citizenship

By “good international citizenship”, Smith (2009:67) refers to “acts that support the common well-being”. In this category, agreements that seek to provide a public good, such as the Kyoto Protocol is a good match. Although it has been established that the decline in multilateral participation started before Harper, the contrast in approach to climate change cooperation between the Liberals and the Conservatives is large. In terms of rhetoric and outspoken priority, climate change went from being a main priority to taking the back seat in Canadian foreign policy (Informant 2).

Upon signing the Kyoto ratification papers Kyoto in 2002, PM Jean Chrétien's was asked how Canada intended to meet its targets. He answered:

The provinces will play a role, the federal government, the private sector, and things will have to change. (...) But climate change is an extremely important problem and the Canadian people wanted us to do the right thing, so we do it today (National Post 2002).

The statement is clear on the Liberal government's priorities internationally, and adds a normative dimension to the reasons why Canada should be a party; it is simply the right thing to do. This reveals a much more normative view on the Canadian preferences in foreign policy than is evident in Conservative statements on foreign policy. In contrast to Chrétien's statement, PM Harper has repeatedly stated that the climate challenge must be solved not just internationally but first and foremost through national measures. In this regard, Canada can act responsibly and set an example to other states (Smith 2009). The Conservative approach is to a large extent about making sure that your own closet is tidy before you start cleaning up others'. This has been viewed as a way of branding the new approach as qualified globally citizenship. As Smith (2009:62) points out, it is difficult to accept these efforts as global initiatives, as they are almost exclusively national and do not impose regulations on carbon emissions to such a degree that they benefit the international community. Due to the lack of international participation, Harper's withdrawal from Kyoto has been heavily criticized as a rejection of good international citizenship. In the eyes of the critics, the international agreement, although not perfect, is the only way of encouraging other states to participate in greenhouse gas reductions, and by withdrawing, Canada fails to do this.

In sum, from the 1980's, the level of internationalism has declined, both under the Liberal and Conservative governments. Still, the Conservative level of internationalism was lower than the Liberals all along. The main tendency in Canadian foreign policy is thus – less multilateral cooperation and less priority given to “soft” foreign policy areas. Moreover, it is plausible to argue that the withdrawal was part of this pattern (Informants 2, 3 and 4).

Implementing Kyoto

As mentioned, Liberal PM Chrétien influenced Canadian climate policy with his personal dedication to combating climate change. Considerable priority was given to strengthening Environment Canada, research institutes and ENGOS, and considerable staffing and funding was provided. Moreover, three climate policy plans were released under the Liberals, in 2000,

2002 and 2005.²³ With each plan, the content portrayed an increased amount of concrete initiatives to reduce emissions nationally. The last plan focused specifically on how Canada would meet its Kyoto targets. Although most initiatives were voluntary and did not reduce national emissions, the plan proposed innovative solutions such as a national cap and trade system (Environment Canada 2005). In sum, the Liberal attempts to reduce emissions were more talk than action, but throughout the period the initiatives gradually became bolder. Informant 3 underlined that although the Liberal climate policy did not contribute to reducing emissions, the intention was sincere. He argued that the lack of results was rather an expression of an uphill battle fought with the opposition, rather than an expression of hypocrisy.

The changed preferences under the Conservative government were evident at the national level long before the withdrawal. When the Conservatives came to power in 2006, the Liberal climate initiatives were gradually dismantled and replaced by Conservative measures (Glenn and Otero 2013:500). A way of doing this was by avoiding reference to the Kyoto Protocol in any public document. There are many examples of such avoidance, but perhaps most notably, the Kyoto Protocol is not mentioned in any of the main climate policy plans released by the Conservatives; *The Clean Air Act* (2006) and *Turning the Corner* (2008). This is also the case for other climate policy publications from Environment Canada under the Conservatives,²⁴ and is a strong indication that the Conservative government never intended to implement the Kyoto Protocol.

Furthermore, priorities under the Conservatives changed in the form of considerable staff cuts and fewer resources allocated to Environment Canada and other governmental climate research programs and facilities. There exist many examples of funding cuts in government bodies that had been instrumental for independent climate policy advice for the government (Cuddy 2010; Fitzpatrick 2011; De Souza 2013; Boutilier 2014). Perhaps the most visible was the major cuts of around 700 positions in Environment Canada in 2011. The cuts included meteorologists, biologists and other scientists (Fitzpatrick 2011; CBC News 2011a).

Apart from the examples of changed priorities explained above, another sharp change in Canadian climate policy was manifested through Bill C-38, passed in 2012, the year the

²³ These plans were: *Action Plan 2000 on Climate Change* (Environment Canada 2000), *Climate Change Plan for Canada* (Environment Canada 2002), and *Canada, Moving Forward on Climate Change: A Plan for honoring our Kyoto Commitment* (Environment Canada 2005).

²⁴ See for example: "Notice of Intent to Develop and Implement regulations and Other Measures to Reduce Air Emissions" (Canada Gazette 2006).

withdrawal took effect. The bill changed over 50 different climate and environment related laws, including the repeal of the Kyoto Implementation Act, removing all traces of Canada's previous commitment to Kyoto (The Globe and Mail 2012). The bill introduced a new approach to environmental assessment, re-wrote the Fisheries act, the Species at Risk Act and the Navigable Waters Protection Act. It further marginalized the National Roundtable on the Environment and the Economy (NTEE), a roundtable many environmentalists viewed as an important expert panel for the forming of environmental policies (May 2012).

In sum, the numerous examples both in public statements, policy plans and budget priorities indicate that the Conservatives never intended to implement Kyoto. Milner (1997:17) holds that the distance between the hawkish and dovish actors preferences matter, and this distance is significant in the Canadian case. As the Liberals laid the Kyoto groundwork, withdrawal was an opportunity for the Conservatives to show their voters that they intended to keep the promises they had made as an opposition party. Similarly, Informants 1 and 4 both argued that one motivation behind the withdrawal was an opportunity to highlight the differences between the Conservatives and the Liberals, as one of them put it: "Kyoto was largely viewed as a Liberal project".

US influence at the national level

While stepping down multilateral participation, cooperation with the US has been stepped up under Harper, also in terms of strengthening the US-Canadian cooperation on climate policy. The cooperation is carefully tailored to suit national interests (Smith 2009:70). In February 2011, the United-States and Canada announced that they would cooperate much closer on environmental and trade regulations, and formed a US-Canada Regulatory Cooperation Council (RCC) (The White House 2011a). The joint action plan published in 2011 indicates that the environmental cooperation between Canada and the US is primarily focused on regulating transport emissions. The action plan states: "Given our shared environmental space and integrated economies, both countries are committed to deepening their long history of joint collaboration through regulatory approaches that will benefit the environment, industry and consumers (The White House 2011b)." There are no binding initiatives in the action plan, which is in line with both the US and the Conservatives stance on Kyoto.

4.4 Uncertain and changing information about compliance costs

In international relations, studies of incomplete information focuses on the distribution of information among states and argues that uneven access to information in many cases brings inefficient results for the parties involved (Fearon 1994; Jervis 1976). As previously mentioned, Milner (1997:22) agrees with this notion, and further holds that incomplete information among actors at the national level also influences the outcome of international agreements. Milner (1997:68–69) assumes that information among the legislative and executive is asymmetrical. She argues that the way information is distributed among domestic actors is likely to influence whether international cooperation is realized.

Unlike in Milner's theory, all actors had roughly the same information in the Canada-Kyoto case, as the terms of the agreement had already been negotiated and ratified. Information is important in the Canadian case, but in a slightly different way than Milner holds: although information was close to equal among actors, it was uncertain and changing significantly over time. Furthermore, each actor chose their position based on the information available at any given time. The time dimension is thus important to understand the role of information in the withdrawal. In this section, I primarily focus on changing and uncertain information, and how these changes have influenced Canada's position on Kyoto.

Changing and uncertain information

Multilateral cooperation on reduction of greenhouse gases is different from many areas of cooperation in one important respect: the global climate system consists of mechanisms that are still insufficiently understood. There is a large degree of uncertainty around the details of what climate change may entail in the global sense. In the case of Kyoto, states are faced with two sets of uncertainty. Firstly, there is uncertainty about the impact of climate change. We know that there will be serious changes, but we are unsure of when the changes will occur, and to what degree they will affect nature, environment, climate and economy (Barrett 2003). Secondly, there is grave uncertainty about the costs of implementing Kyoto. Costs were a source of dispute when negotiating reductions targets, and it was stated by Kent as one of Canada's main reasons for withdrawal (Kent 2011). This discussion was influenced by mutual uncertainty – none of the actors had full information, but made a decision based on the information available, as in the case of the Liberals ratification of Kyoto. I now discuss what

the significant change to this information has meant for Canada's withdrawal.

In contrast to the consensus that a situation of full information will make it easier to negotiate an agreement, Patrick Bayer (2012) argues that this is not the case for climate negotiations. The more information a state possesses, the more attractive non-cooperation will be. This is due to it becoming clearer that the optimal agreement to secure the global public good will be very costly. Bayer calls this the negative information effect. Bayer further argues that this effect is more prominent in democratic countries, as democratic leaders are under a constant evaluation from their electorate. The government risks not being reelected should the government continue to agree to major expenses as they are revealed to be bigger than initially assumed. As the details of the expenses develop or are revealed over time, the electorate may support their government in withdrawal from an international climate agreement (Bayer 2012:3). Bayer's argument is supported by one of my informants, who argues that although the information about compliance costs was uncertain all along, new information surfaced as time passed. Kyoto's compliance costs developed from being very uncertain to slightly less uncertain, and as numbers increased, the government increasingly saw withdrawal as an attractive option that would satisfy the anti-Kyoto electorate (Informant 1).

At the point of ratification of Kyoto in 2002, the cost scenario was very different from the one revealed ten years later. In the years after Canada's ratification, economic growth was a main priority and reducing carbon-intensive energy production was not an option. As a consequence of this priority, greenhouse gas emissions in Canada kept on rising. The Harper government repeatedly stated that Canada had no chance of reaching its goal to reduce emissions 6% compared to the 1990 baseline, as required by the Kyoto Protocol. The National Inventory Report (2011) shows that emissions in 2010 were 16% above 1990 levels and in 2012, the emissions had almost reached 24% above 1990 levels. Without any significant reduction policies, this number is expected to continue increasing over the next years (Bayer 2012:16).

The Conservative government's official reasons for withdrawing were significantly influenced by financial concerns. PM Harper has on multiple occasions referred to Kyoto as harmful for the Canadian economy, a threatening factor for Canada's international trade

competitiveness, as well as being harmful to Canadian employment (CAN 2002; CBC News 2007a). In the official statement justifying the withdrawal, Environment Minister Peter Kent stated:

“To meet the targets under Kyoto for 2012 would be the equivalent of:

- Either removing every car, truck, ATV, tractor, ambulance, police car and vehicle of every kind from Canadian roads.
- Or, closing down the entire farming and agricultural sector and cutting heat to every home, office, hospital, factory and building in Canada.

The cost of not taking this type of radical and irresponsible action? The loss of thousands of jobs or the transfer of \$14 BILLION from Canadian taxpayers to other countries - the equivalent of \$1600 from every Canadian family -- with no impact on emissions or the environment. That's the Kyoto cost to Canadians (Kent 2011).”

In the statement, Kent portrays a tradeoff between reducing emissions in Canada, as opposed to buying carbon credits to make up for their high emissions. The potential long-term benefits from complying with Kyoto had been deemed to not be high enough to supersede economic growth in a business as usual scenario. The fact that the benefits of compliance are uncertain rationalizes the government's assessment. The decreasing concern for the environment among the public discussed in the previous section further backs this rationalization.

Many different estimates have been presented to prepare politicians and the public for what combating climate change may cost. Estimates have varied significantly depending on who conducts the calculations. Estimates from the government of Alberta warned against the loss of thousands of jobs and a sharp decline in GDP if Kyoto was to be implemented. In addition several industry associations and think tanks warned against the serious financial losses implementing Kyoto would entail (CTV News 2002; Hill and Leiss 2004:174). On the opposite side of the spectrum, environmental think tanks and research institutes such as the David Suzuki Foundation (DSF) portrays a radically different scenario. DSF's estimates take into account the establishment of new and “green” markets that in turn will generate innovative industries and employment (Bailie et al. 2002). The two sides are reflected in a number of different costs scenarios published by different institutes.²⁵

The cost estimates varied depending on the method utilized to calculate them, and the climate policy measures incorporated in the models (Böhringer and Rutherford 2010). In discussing

²⁵ For a comprehensive overview of different costs scenarios, the following reports can be consulted: *Albertans and the Environment* (Alberta Environment 2002) or *Discussion Paper on Canada's Contribution to Addressing Climate Change* (Government of Canada 2002).

the potential costs of implementing Kyoto in Canada, Jaccard et al. (2003) argue that the conflicting estimates from experts and interest groups entail confusion not just for the public, but also for the policy makers. The definitions of costs and of how the evolution of technologies will evolve in the coming years are also determining factors. So is the extent to which the modelling accounts for developments in consumer preferences and how new green industries will affect these preferences (Jaccard et al. 2003:49). At the end of the day, Jaccard claims, no model can incorporate all relevant information and relations that will influence the numbers.

However diverging, cost estimates form the basis of many political campaigns, and are powerful in shaping public opinion and debate. As is evident from Peter Kent's statement above, cost estimates play an important role in legitimizing party policy. In this statement, the Environment Minister legitimizes the withdrawal saying that Canadian compliance with Kyoto would entail expenses amounting to 14 billion CAD (Kent 2011). This amount was the estimated cost for the carbon credits Canada would have to buy to meet the targets. The statement gives the impression that there was a 14 billion CAD penalty to pay for ending up in non-compliance. Still, as we saw in section 3.2, there are no sanctioning mechanisms in Kyoto that impose economic penalties on non-compliant countries.

Another of Kent's concerns is the loss of Canadian jobs. When comparing Kent's statement to statements made by David Anderson, Environment Minister under Chrétien, it is clear that Anderson used completely different numbers to legitimize the ratification of Kyoto. When asked for evidence of why ratification is the best option for Canada, he answered:

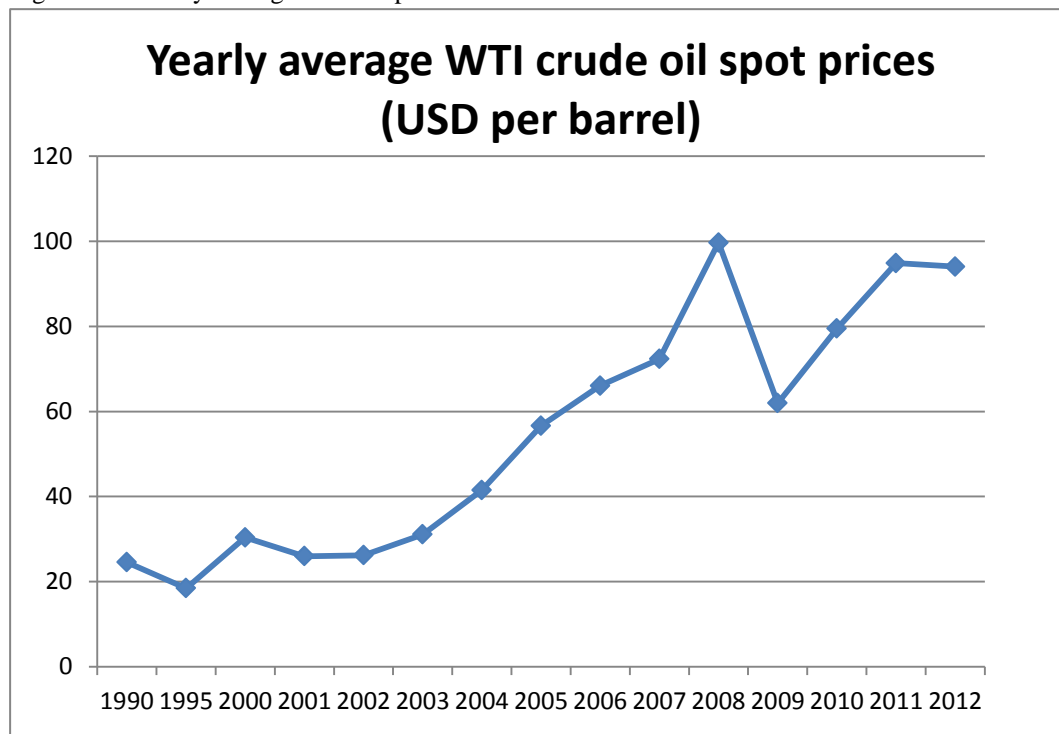
"The best evidence suggests we could have GDP levels that would be a full 99 and six-tenths of what we would have if we did not pursue our international commitments. It suggests Canada could have almost 1.26 million new jobs by 2010, compared to just over 1.32 million in a business as usual scenario. (Anderson as quoted in Leiss and Hill (2004:174))"

From these examples we see that the incomplete information regarding the costs of implementing the Kyoto Protocol allows each side to argue their case backed by numbers often very much in their favor. Still, changing and uncertain information characterizes climate change mitigation in general. Uncertainty exists for all parties involved, not just for Canada. It is the consequences this changing information had for domestic affairs in Canada that may increase our understanding of Canada's withdrawal.

Changing global oil price

One aspect of Canada's situation drastically changed as more information about compliance costs became apparent - the profitability from Canada's unconventional oil reserves. At the time of ratification, the crude oil price averaged at 25US\$ per barrel. Moreover, the technology to extract crude oil from the oil sands was very costly. As a result, many stakeholders viewed the capital-intensive exploitation of oil sands as unprofitable to invest in. The unanticipated increase in the global oil price between 2002 and 2011 made complying with the Kyoto Protocol a lot more expensive than expected in 2002. Bayer (2012), argues that the Canadian climate policy development runs parallel to the increase in the global crude oil price. As the prices increased, the government became more skeptical towards Kyoto. In 2002, Liberal minister of the environment, Stephane Dion, stated that "Canada was able to show a plan to cut emissions to a point where we could meet the Kyoto target (Black 2006)". The quote clearly gives an indication that the Liberal government saw it as realistic to reduce emissions in line with the Kyoto target; this was the case for the information available at the time.

Figure 4.3: Yearly average WTI oil price .



Source: Statista (2013)

When the Conservatives entered office in 2006, oil prices had already increased significantly, and the predictions were that this trend would most likely continue (Bayer 2012:19). While

the oil price kept rising, the oil sands became more and more profitable as a result of the price rise, technology development, and increased investments in the industry. Figure 4.3 shows the yearly average price for WTI crude oil. By the end of 2011 oil prices had reached almost 100US\$. As a consequence, Kyoto implementation costs had suddenly multiplied from what they looked like in 2002.

This development illustrates how changing information helps explain why Canada first ratified Kyoto, and then withdrew from it. Uncertain information made it possible for the parties to shape their arguments more directly in line with their ideological foundation. Similarly, Hill and Leiss (2004) argue that the risk analysis conducted before ratification was built on uncertainties, and therefore concluded that Canada made the right decision to ratify. The decision was made because “the likely economic costs represent an acceptable course of action when compared with the risks of climate change” (Hill and Leiss 2004:273). Taking into account the internationalist approach of the Liberals discussed previously in this chapter, one can argue that the low oil price made it easier for the Liberals to ratify.

The development from there took an unexpected turn, making the oil industry more profitable each year, up until the point of being so profitable that it seemed unthinkable for the Conservatives to implement Kyoto (Informant 1). Based on this information, it has been argued that the Liberals would probably not have ratified Kyoto in 2002 if they had known what the Conservatives knew in 2011 (Bayer 2012:18). Note, however, that the Conservatives’ take on the Kyoto Protocol did not change at all throughout the period. Even though the Liberals might have had a different view on Kyoto in 2002 had they possessed full information about the costs, it is difficult to know if the withdrawal was a consequence of preferences or of changing information. Still, it is likely that the resistance against Kyoto increased when Kyoto became less and less beneficial for Canada’s economic growth. Moreover, it is likely that this resistance was evident at the sub-national level, as this is where natural resources are managed.

4.5 Summary

In this chapter, I have discussed the national-level factors that can explain Canada’s withdrawal. In light of Milner’s theory of international cooperation, I have focused on three

factors; Institutions, preferences and information. Based on these factors, I asked three questions that can now be answered:

1. Was the withdrawal influenced by the distribution of power between the executive and the legislative?
2. Was the withdrawal part of a change of preferences in Canadian foreign policy?
3. Was the withdrawal influenced by changed information about Kyoto's compliance costs?

Firstly, Milner emphasizes that a large distance between the legislative and the executive on the question of cooperation, increases the risk of cooperation not being realized. I found that in the Canadian case, the fact that the legislative and the executive had diverging views on Kyoto made the Conservative victory in the 2006 election a game changer. Moreover, Milner argues that significant changes in the distribution of power between the two actors may influence the outcome of cooperation. With the Conservatives being the most hawkish actor, the probability of withdrawal increased when the Conservatives came to power, and further increased when they gained a majority in 2011.

Secondly, a sharp change in the approach to foreign policy and the priority given to climate policy has occurred in Canada. According to Milner, diverging preferences between the actors may influence cooperation when the power distribution changes as described above. The withdrawal is therefore most likely very much influenced by the Conservative's skepticism towards Kyoto. Thus, preferences were a key variable in the withdrawal.

Thirdly, Milner argues that asymmetrical information among actors at the national level may undermine cooperation. In analyzing the actors' access to information, the characteristics of my case differed slightly from Milner's theory. Withdrawal entails that Canada exits cooperation, not enters into it. Therefore, the terms of the agreement were already settled, and all actors had close to full information about the agreement as such. The main finding was therefore that the dramatically changing compliance costs contributed to making withdrawal more attractive than it had been when the oil price was lower. The massive increase of the global oil price made the oil sands a lot more profitable than projected, and consequently made Kyoto very costly for Canada to implement.

From this chapter, I can thus derive that two main factors are likely to have influenced Canada's withdrawal. 1) The Conservatives' preferences meant that climate change was given

the back seat in foreign policy, and 2) The dramatic change in compliance costs increased the incentives to withdraw. Both factors contribute to an increased understanding of the withdrawal. Furthermore it is likely that these national-level factors had an influence on sub-national actors' view on Kyoto. The final part of my analysis therefore focuses on the sub-national level. The next chapter discusses the role of interest groups and provincial governments' in causing the withdrawal, and aims to provide the final pieces to answer why Canada withdrew from Kyoto.

5 The Sub-national Level: Oil industry and Federalism

Chapter 4 found that the Conservatives' rise to power and the dramatic increase in the oil sands profitability help explain the withdrawal. However, the Canadian provinces have strong autonomy in the management of natural resources and climate change issues. Therefore, an analysis of the Kyoto withdrawal would therefore not be complete without discussing the role of industry and the provinces.

This chapter investigates the landscape of actors at the sub-national level and their influence on decisions made at the international level. To add the final pieces to answering my main research question, I ask the following questions in this chapter:

- 1) What was the role of interest groups in Canada's withdrawal from Kyoto?
- 2) What was the role of federalism in Canada's withdrawal from Kyoto?

Section 5.1 describes the theoretical starting points behind the factors to be discussed in this chapter. Section 5.2 looks at the role of interest groups in the Kyoto debate. In section 5.3, I consider how the federal state structure has influenced the Kyoto process in Canada, and discuss the role of the US on the subnational level. Lastly, I summarize the chapter's main findings.

5.1 Factors at the sub-national level

Milner argues that interest groups' endorsement of the international agreement influence the likelihood of international cooperation. By interest groups, Milner refers to both NGOs and industry associations. The implementation of international agreements will distribute costs and benefits unevenly among interest groups. Interest groups' reactions to "the proposed cooperative policies will be a major concern for political actors. They will anticipate these reactions – or learn about them in the process of negotiating cooperation internationally - and choose policies based on them" (Milner 1997:61). Thus, if key interest groups consciously work against the realization of an agreement, it may affect the decision made at the international level. This factor is particularly relevant in the Canadian case; due to the central role both industry and ENGOs have played in influencing environmental policy.

Interest groups operate on both the international, federal, and sub-national levels. In the Canadian case, it makes sense to discuss this factor in the sub-national analysis, as the oil lobby is rooted in the oil industry which in turn falls under provincial jurisdiction. Moreover, it becomes relevant to discuss the interest groups influence on Canada's Kyoto decision at the federal level. These dynamics are accounted for in this chapter.

The second factor to be discussed in this chapter is federalism. Several scholars have argued that federalist states encounter particular challenges in climate policy.²⁶ In her book *“Passing the Buck: Federalism and Canadian Environmental Policy”*, Harrison (1996:6) argues that federalism is a key determinant for how policy decisions are made in Canada. In environmental policy, the division of power between the federal and provincial levels has by some scholars been referred to as a grey zone. Simeon (1980) argues that the two governance levels in some cases create a vacuum that breeds inefficiency. Due to the overlapping jurisdictions in climate policy, each level has an opportunity to pass the blame of inaction over to the other jurisdiction. If one assumes that each government seeks to maximize its chance of reelection, it is likely that during periods of high environmental awareness, a conflict may appear between jurisdictions. Each jurisdiction will want to take credit for the most appealing policies. Similarly, during periods of low environmental awareness among the electorate, each jurisdiction may want to pass the responsibility over to the other jurisdiction (Simeon 1980; Harrison 2010:20–24).

The two factors interest groups and federalism are undoubtedly intertwined, as interest groups operate in both the provincial and federal levels. Still, their channels of influence are separate, and I therefore treat them separately.

5.2 Interest groups

In the international relations literature there is a relative consensus that the preferences and pressure from interest groups affect a state's foreign policy and international cooperation.²⁷ Milner holds that interest groups have two main roles in influencing foreign policy: they help shape the political actors' policy preferences as pressure groups, and they have an indirect role as information providers to the executive and the legislature. Policy makers are

²⁶ A rich body of literature exists on how federalism affects environmental policy in Canada and in the US. See for example Darier (1995), Holland et al. (1996), or Harrison (1996).

²⁷ This is a typical “distributional politics” argument that is thoroughly discussed in Gourevitch (1986), Rogowski (1987) and Frieden (1996).

influenced by interest groups' opinions and preferences on a regular basis. Interest groups are given the opportunity to promote their opinion more frequent than the people get to vote, which means that civil society plays a key role in influencing policy making. According to Milner (1997:60), the influential power of interest groups is dependent on two different aspects: 1) their access to resources, and 2) whether their interests are aligned with the executive or the legislative's preferences.

During the debate leading up to Canada's ratification of Kyoto, a number of interest groups significantly influenced public opinion and public policy. A very deep polarization characterized the debate. Various groups representing the industry argued that the Kyoto protocol would cripple the Canadian economy, while environmental groups argued that reducing carbon emissions was absolutely necessary and economically feasible (Harrison 2010:171).

The industry and the business community were strongly against the ratification of Kyoto, and therefore had preferences that aligned with the Conservatives. Before the ratification a strong anti-Kyoto constellation was formed between the oil-province of Alberta, the Conservative party, and the oil industry. When the Conservatives entered office in 2006, the influence of the oil lobby on provincial and federal policy increased considerably due to the close ties between them (Informant 5).

After the election in 2006, many environmentalists criticized the close ties between industry and government bodies. The anti-Kyoto constellation was further formalized in 2010, when a high-level committee was formed to coordinate the promotion of oil sands. The new association was called the Canadian Association of Petroleum Producers (CAPP), and coordinates governmental, provincial and industrial initiatives to promote the oil sands. The provincial ministries represented in CAPP are Alberta Energy and Alberta Environment. The committee was formed as a response to the massive protests and regulations imposed internationally to prevent increased exploitation of the oil sands (Lukacs 2012). CAPP represents a direct channel for the industry to promote their preferences towards the government. Besides CAPP, the industry is often represented by two associations: the Canadian Council of Chief Executives, a leading membership association, and the Canadian Manufacturers and Exporters which represents 90% of Canadian exports (Harrison 2010:172).

From the Canadian lobbyist registry, one gets a good overview of the two poles of interest groups' influence on the federal government. According to the registry, the oil industry has a considerably higher activity than other industries in lobbying the federal government. For example, CAPP and the Canada Energy Pipeline Association alone recorded 732 communications, 72% more communications than the total of mining associations (Office of the Commissioner of Lobbying Canada 2012). The list of the ten most active oil lobby-groups can be seen in table 5.2 below.

Table 5.2: Top ten-registered lobby groups' interactions with public officials 2008-2012

Name of Corporation	Communications with public official
Canada Association of Petroleum Producers (CAPP)	536
TransCanada Corporation	279
Canadian Gas Association	270
Imperial Oil Ltd.	205
Suncor Energy inc.	196
Canadian Energy Pipeline Association	198
Canadian Fuels Association	167
Enbridge Inc.	143
Shell Canada Ltd.	118
Total	2112

Source: Office of the Commissioner of Lobbying of Canada (2012), The Polaris Institute (2012)

Compared to the oil industry, ENGOs are almost completely invisible. 11 Environmental NGOs were registered in the registry between 2008 and 2012. In total, these 11 NGO's have registered 485 communications. The ENGO umbrella organization the Climate Action Network Canada (CAN), has only registered six communications with a public official between 2008 and 2012. CAPP had 536. A list of the most active Environmental organizations and their combined interactions with public officials in the same period can be seen in table 5.3 below.

Table 5.3: Top environmental NGOs lobby interactions with public officials 2008-2012

Name of Environmental organization	Communications with public official
Climate Action Network, David Suzuki Foundation, Ecojustice, Environmental Defence, Équiterre, Greenpeace Canada, Living Oceans, Pembina Institute, Sierra Club of Canada, Tides Canada, WWF Canada	485
Total	485

Source: Office of the Commissioner of Lobbying of Canada (2012), The Polaris Institute (2012)

Aside from the conventional industry associations, an increasing number of public relations groups have emerged in the Canadian landscape of actors. These too fall under the category “interest groups” and have appeared on both sides of the Kyoto debate. The most notable PR group on the anti-Kyoto side is Friends of Science (FoS). This non-profit-organization was established in 2002, shortly after Canada’s ratification of the Kyoto Protocol. FoS argues “that the Sun is the main direct and indirect driver of climate change (Friends of Science 2007)”, and that their aim is to influence the public and the federal climate policies.

FoS has produced numerous information campaigns and material with an aim to inform the media and the public. Among their most well-known campaigns is an information video entitled *Climate Catastrophe Cancelled*, where a strong anti-Kyoto message is communicated with the backing of scientists from leading universities in Canada (Friends of Science 2007). Another campaign was a series of Radio ads that aired in Ontario, the most populous province in Canada. The ads criticized the Liberal party’s climate policy and FoS’ president later stated that a former Conservative party campaign organizer and lobbyist produced the ads (Greenberg et al. 2011). The ads were controversial because they were released in a province where the liberal party was vulnerable, and they encouraged listeners to hold liberal MPs accountable for wasting tax money on expensive climate change policies. All ads were run during the 2006 election campaign. Un-transparent funding arrangements with industry and universities in Canada have also been revealed and subject to criticism (Greenberg et al.

2011:72). It is difficult to measure the influence of such campaigns, but the close ties to the oil industry indicate that the people behind FoS' campaigns had an aim to influence public opinion on the Kyoto matter and climate policy in general.

On the other side of the Kyoto debate are the proponents of Kyoto participation. Traditionally, the push for environmental action and Kyoto participation has been linked to ENGOs and research institutes. Under the Liberal governments of Chrétien and Martin (1993-2006), the Ministry of the Environment was strongly rooted in the research staff at the ministry and various research institutes in Canada. The Pembina Institute, The David Suzuki Foundation (DSF) and the Sierra Club were the most visible and influential. The environmental organizations had close ties with international environmentalists, and gathered support from them to strengthen their campaigns. Particularly important was the bond with environmental groups in the United States. This connection is a significant alliance that has helped promote the environmentalist view on climate policy issues through increased coverage in Canada and the US (Greenberg et al. 2011). Furthermore, under the Conservatives, most environmental research institutes and ENGOs have been subject to extensive cuts in funding. Informant 2 highlights these cuts as one of the reasons for the imbalance between the industry and ENGOs on the Kyoto matter. With regards to Milner's point about resource imbalance, it is clear that the ENGOs have had a tougher time mobilizing funds to promote their interests, compared to the oil industry. Moreover, this imbalance has been strengthened considerably under the Conservatives as funds have been cut.

A rather recent development is that environmentalists have increasingly utilized PR techniques and consultancies to promote their agenda in the media and to influence policy and public discourse. The PR-companies often work on a pro-bono basis (Greenberg et al. 2011:74). The David Suzuki Foundation is one of Canada's most prominent science-based ENGOs and receives funding from over 40.000 individual donors. What is interesting with the DSFs approach is the outsourcing of PR work. Most ENGOs develop their PR strategies internally, but the DSF has instead outsourced this function to various communication firms in Canada (Greenberg et al. 2011:75). One of the most notable partners of the DSF has been one of Canada's largest independent PR firms, James Hoggan & Associates. The DSF PR strategy is just one example of a recent development in Canadian ENGO approaches to influence public debate, a development that may serve as an indicator that the environmental community is increasingly "fighting fire with fire" (Greenberg et al. 2011:75). While the

NGO community undoubtedly has fewer resources compared to its corporate counterpart in the environmental debate in Canada, this new development could mean that new strategies may make NGOs more influential on climate change policy than they have been in the past.

As is evident from this discussion on the role of interest groups, the influential power of the pro-Kyoto and the anti-Kyoto sides is highly imbalanced. As mentioned, Milner holds that both the amount of resources to promote its position, and whether the interest groups preferences are aligned with key parties are important determinants for the influence of interest groups. As we have seen, in the Canada-Kyoto case, the oil industry has enjoyed a favorable position to promote their anti-Kyoto view in both areas highlighted by Milner.

The powerful oil industry is closely linked to the provincial structure, as this is where the natural resources are managed. Thus, federalism is the next topic of discussion.

5.3 Federalism

Due to the decentralized nature of Canadian politics, one cannot analyze Canada's priorities in climate policy without discussing the role of the provinces (Harrison 2012). The Kyoto Protocol stirred up conflict between the federal and provincial levels. Kyoto was the first international treaty to cross the fragile shared jurisdiction areas in Canadian politics. This conflict involved interest groups, as well as federal and provincial governments. At the provincial level, the arenas for influence from industrial forces or interest groups are more visible and frequent than at the federal level.

Provincial jurisdiction

Ever since the implementation of the British North America Act of 1867, the provinces have had a strong political autonomy on a number of policy areas, one of these being climate policy and natural resource management (Stoett 2009:49). After a struggle between the federal and provincial levels regarding the jurisdictions of various policy areas, the provincial jurisdiction was manifested in the Constitution of 1982. In the section most relevant to climate policy, section 92A, the provinces are granted jurisdiction "over the exploitation, development, conservation, management and taxation of nonrenewable natural resources, including forestry resources and facilities for the generation of electricity" (Holland, Morton, and Galligan 1996:40).

Section 92A does not overrun the federal claim on natural resource management, which leaves room for overlapping policy areas, also referred to as shared jurisdictions. In the negotiation with federal authorities, 92A is an important “card in the provinces’ hands” (Holland, Morton, and Galligan 1996:41). When it comes to international climate agreements, the federal level ratifies, while the provincial level implements:

While the federal executive may ratify treaties for all of Canada, if the subject matter of the treaties touches on any of the legislative powers listed in section 92 of the *Constitution Act*, provincial legislative approval is required to implement the treaty and give it effect domestically. (Parliament of Canada 2008).

The shared jurisdiction implies that Canada’s federal government holds relatively weak powers to implement climate policies and regulations to reduce emissions. This arrangement was further formalized as a result of the 1998 Canada-Wide Agreement on Environmental Harmonization, an agreement that aimed to ensure that provincial interests would be given considerable weight if the Kyoto Protocol were to be implemented. All of Canada’s provincial governments have the jurisdiction to manage publicly owned natural resources within their borders (Harrison 2010:6). Over 90% of the country’s land mass is publicly owned, which means that most natural resource management is granted to the provinces. Canadian natural resources include oil, gas, coal and forests - all important for climate regulations. The provinces also have authority over matters such as transportation planning and building regulations, important elements in any successful greenhouse gas reduction strategy (Harrison 2010:6).

The shared jurisdiction over climate policy has led to two arguments for opposing the Kyoto Protocol among provinces; one is connected to the Kyoto process, and refers to the jurisdiction and control over political domain, and the other is connected to the concern for how Kyoto might affect each provinces’ economic growth.

Opposition against the Kyoto process

In his article “*Intergovernmental relations and the challenges to Canadian federalism*” Richard Simeon asks:

are the regional divisions so deep, the competing ambitions and development priorities of federal and provincial governments so different, and the policy instruments for policy making so widely shared among the two levels of government that we are unable to meet the challenge to develop coherent national economic and social policies? (Simeon1980:16).

Simeon's question is a summary of the challenges in Canadian federalism. The distribution of power among provinces contains cleavages that were confirmed with the Kyoto issue. These cleavages are both evident among provinces, and between provinces and the federal level in climate policy. Moreover, Harrison highlights the competitive nature between the two government levels, arguing that the grey zone and uncoordinated nature of the federal provincial relationship leaves room for each level to "pass the buck" over to the other level when this is beneficial. Environmental policy is an area that is subject to such buck passing.

Whether the federal government decides to claim the environmental policy area is likely to be influenced by the level of importance environmental issues has among the electorate. The provinces, on the other hand, are likely to be defensive of their jurisdiction in periods where environment is a main priority, but also in periods where it holds low priority. The provinces will defend their jurisdiction no matter what, as environmental policy is linked to their natural resources and therefore important for securing their province's economy (Harrison 1996:29). As discussed in Chapter 4, although the salience of environmental issues in general stayed relatively stable between 2002 and 2011, the support to Kyoto ratification was high (79%) in 2002. The high support to Kyoto at the time of ratification may explain why the federal level under Chrétien wanted to "claim" the environmental policy area through implementing Kyoto. This meant insecurities for the provinces, and thus stirred their resistance.

In the years leading up to Canada's ratification of the Kyoto Protocol in 2002, the federal government engaged in a long consultation process with the provinces. Many provinces expressed concern that Kyoto would harm industry and electricity generation in their jurisdiction. As the federal decision led towards ratification despite some provinces' concerns, Saskatchewan and Alberta were perhaps the most vocal in expressing their unhappiness with the degree to which their views had been incorporated in the process (Hydomako 2011:45). As a response to the governments intentions to ratify Kyoto, then premier of Saskatchewan, Roy Romanow, stated in 1997 "[These events are] an example of the kind of confusion and stepping on each other's toes which this country simply does not need" (Greenspon 1997). As a reaction to the negative responses from Saskatchewan and Alberta the Federal government met with all premiers, and subsequently produced a communique that stated: "First Ministers agreed to establish a process, in advance of Canada's ratification of the Kyoto Protocol, that will examine the consequences of Kyoto and provide for full participation of the provincial and territorial governments with the federal government in any implementation and

management of the Protocol” (Meeting document as quoted in Hydromako (2011:54)). In the following years, the Federal government took little action to tailor a Kyoto implementation plan to the diverging interests of the provinces. The main opposing provinces continued to express their skepticism towards Kyoto, and repeatedly claimed that they must be heard before Kyoto were to be ratified. In 2002, all premiers signed a 12 point plan demanding an inclusion in all international treaty processes that affects climate policy. Among other claims, the 12 points called for protection of their jurisdictions. PM Chretien never responded to this plan (Rabe 2007:433).

Table 5.4 Provinces opinions towards Kyoto

province	Governing party 2011	Official Stance on Kyoto
British Columbia	Liberal	Against
Alberta	Progressive Conservative	Against
Ontario	Liberal	Against
Quebec	Parti Quebecois	For
Manitoba	NDP	For
New Brunswick	Conservative	Against
Saskatchewan	Saskatchewan Party	Against
Prince Edward Island	Liberal	Against
Newfoundland and Labrador	Conservative	Against
Nova Scotia	Liberal	Against

Source: Harrison (2010)

In other words, the ratification threw wood on the fire of an already existent federal-provincial conflict. It has been claimed that the provincial opposition against Kyoto was rooted in an ideological disagreement, but as can be seen in Table 5.4, this conflict spanned across political parties. The frustration over this process led all provinces to join Alberta and Saskatchewan in opposing the circumstances around the ratification, except Manitoba and Quebec (Harrison 2010). Moreover, even the two Kyoto-supporting provinces expressed discontent with the unilateral way the federal government had approached Kyoto. Thus, when it came to defending provincial jurisdiction, all provinces resisted Kyoto to some extent.

Informant 5 further argued that the oil-abundant provinces of Alberta and Saskatchewan had reason to oppose both the Kyoto process and the threat it represented to economic growth. Thus, it should not be a surprise that these provinces were the most vocal in their resistance. Saskatchewan's Industry and resource Minister Eldon Lautermilch had in the years prior to the ratification repeated the provinces' devotion to fighting climate change. Still, he expressed concern with the federal government's approach to implement Kyoto: "we haven't seen a plan, we haven't seen an analysis of the costs and impacts" (Lautermilch 2002). Lautermilch further claimed that the federal government had not come through in involving the provinces in their decision, and that he was disappointed in the process. The premier of Saskatchewan, Lorne Calvert, further underlined this position in 2002:

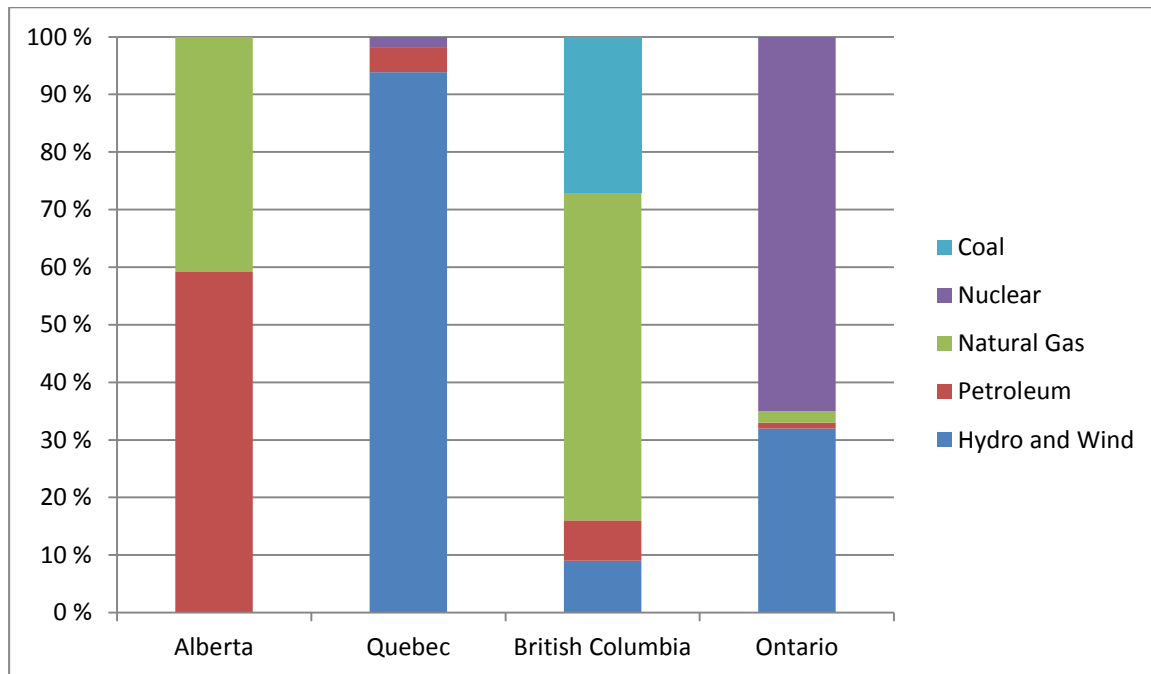
Our fight is not with the principle of Kyoto. Our fight is with the federal Liberal government who has refused from day one to participate with Canadians in building a sane implementation plan that will protect the interests of the environment and the interests of the economy (Calvert 2002:2861).

Calvert's statement is a clear manifestation of the resistance against the way Kyoto was handled by the federal government.

Opposition against compliance costs

The other source of provincial opposition was rooted in the content of the agreement. Implementing Kyoto meant that high emission industry would have to be scaled down. The vast difference in resource wealth among Canadian provinces has in some cases led to disharmony among them. For example, Quebec is abundant in hydropower, the oil and gas resources are largely located in Alberta and Saskatchewan, while large offshore oil reserves have been discovered off the coasts of Nova-Scotia and Newfoundland. As a consequence of these economic differences, greenhouse gas emissions vary tremendously among provinces, ranging from 71 tons per capita in Alberta to 12 tons in Quebec. The vast difference in GHG emissions per capita is illustrated in Figure 5.2. In sharp contrast to the provinces with carbon intensive industries, Quebec has the lowest greenhouse gas emissions per capita in Canada. This is in large part because most of Quebec's electricity is derived from hydropower plants, and the province still has large unexploited hydropower resources (Douglas Macdonald et. al 2002). The vast differences in energy production among provinces are displayed in Figure 5.1.

Figure 5.1 Energy production in selected provinces by type



Source: Centre for Energy Statistics (2010) (measured as percentage of total energy production in each province)

As discussed in Chapter 4, Oil generation from the oil sands reserves in Alberta and Saskatchewan has boomed over the last years. Implementing the Kyoto Protocol would therefore have significantly larger financial consequences for Alberta than for Quebec. These circumstances combined with the provincial jurisdiction dispute, create diverging interests between provincial and federal governments as well as between the provinces.

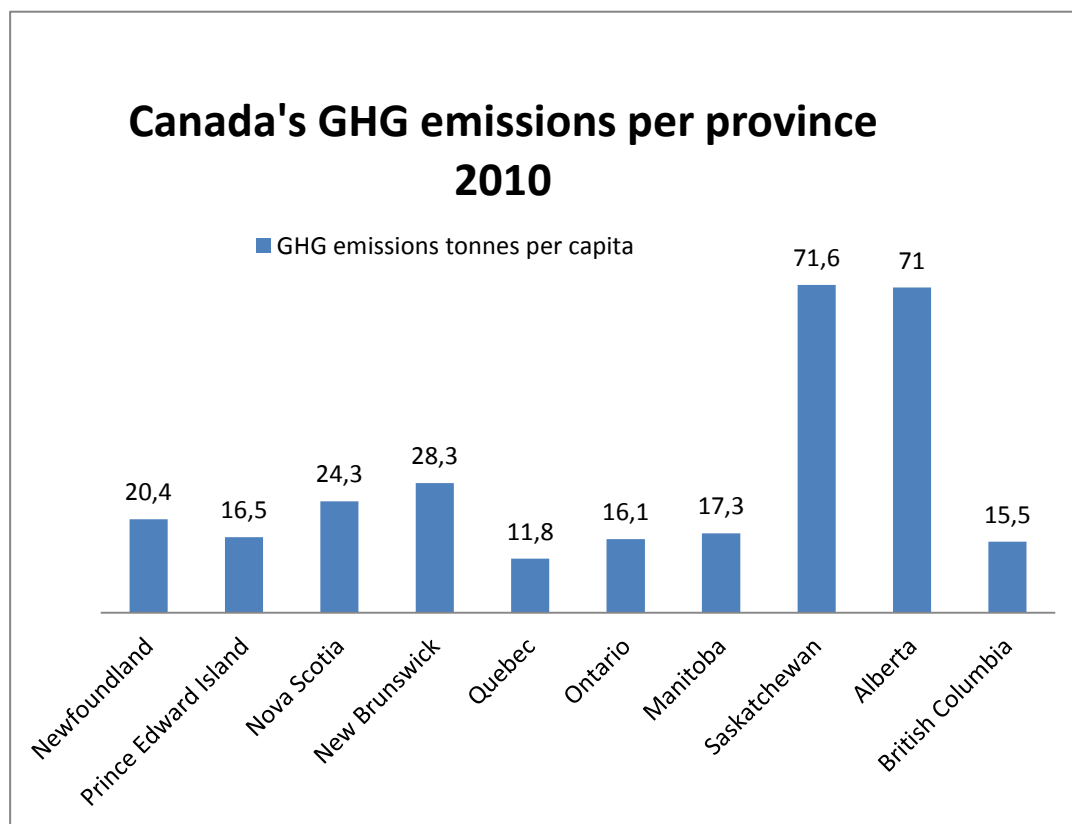
Simeon (1980) argues that Canadian provinces in many cases view the gap between them and the federal government as so wide, that when forming policies they prioritize a provincial approach over a federal one. This is a consequence of the regional nature of provincial economies, but also a consequence of an established view that the federal policies formed in Ottawa do not take into account these diverging interests:

Spurred by increasing fiscal and bureaucratic strength, by their control of natural resources, by conflicting economic interests and by a sense that federal policies have been ineffective or unfair to their province, provincial governments have increasingly asserted that they reflect the regional will better than Ottawa can, and that they should engage in developing and implementing their own development strategies (Simeon 1980:18).

Simeon's statement is from 1980, but it still provides a good illustration of the climate policy situation in 2011 - local solutions are prioritized over federal ones.

Canada's GHG emissions are mainly driven by oil and gas. The provinces that are the most positive towards Kyoto are the ones with a considerable share of renewable energies in their mix. This includes Quebec and other provinces with relatively low levels of carbon emissions due to the absence of high emitting industries, such as Manitoba. Figure 5.2 shows the differences in greenhouse gas emissions per capita among provinces.

Figure 5.2: Greenhouse gas emissions by province per capita 2010.



Source: Canadian Emissions Trends (Government of Canada 2012a)

It is clear from Figure 5.2 that emissions from Alberta and Saskatchewan have a much higher GHG emissions per capita compared to the other provinces. The bulk of the oil sands reserves are located in Alberta, but Saskatchewan is high on the list as it has a considerably smaller population than Alberta. To further nuance Figure 5.2, it is worth mentioning that Ontario is the most populous province with approximately 13 million inhabitants. Alberta has 4 million inhabitants in comparison.

I have so far discussed the two different sources of anti-Kyoto stance among the provinces, a process-related resistance and a resistance related to the concern that Kyoto might harm the provinces' economic growth. In the following, I discuss two provincial cases, British Columbia (BC) and Alberta. The first is chosen because it is viewed as a front runner in terms of local climate policies. The latter is chosen due to oil abundance and consequently different solutions for climate policy, and as an example of the US influence at the provincial level. The two provinces are examples of the vast diversity among provinces, as well as strong examples of the lack of coordination among the federal and provincial levels. Both provinces opposed Kyoto, but on slightly different bases. BC resisted Kyoto mainly due to a wish to protect its jurisdiction. Alberta opposed the Kyoto process as a consequence of both sources of resistance; a wish to protect its revenues from the oil industry, and also a wish to protect its jurisdiction.

British Columbia

British Columbia (BC) is perhaps the Canadian province with the most ambitious targets in terms of climate policy. BC is considered a stable Liberal province, and has a climate policy plan that has been hailed as innovative and ambitious (Harrison 2012). In 2008, the BC Liberal party became the first North American jurisdiction to implement a carbon tax that was revenue-neutral. Although there was some opposition against the initiative, the tax has steadily been increased each year since its adaptation, in line with the initial plan (Harrison 2012:383).

Harrison (2012:398) asks why the carbon tax has had success in BC, while federal initiatives remain ineffective. She argues that the fact that the BC Liberals had a leader with a strong commitment to implementing the tax is the reason why it was possible. This shows that local provincial initiatives are dependent on local leadership and commitment. Another factor was that a rising concern for the environment was apparent in opinion polls, and a year after the carbon tax was proposed, environmental concerns had surpassed economic concerns in BC (Harrison 2012:398). Judging from the low concern for environmental issues among Canadian voters in general (as discussed in Chapter 4), the combination of these factors may have contributed to the implementation of the BC carbon tax. Furthermore, Harrison holds that the high level of concern for environmental issues among the BC electorate may have motivated

the BC government to “claim” climate policies as their own. This way, the jurisdiction was protected while the electorate remains content.

As illustrated in Table 5.3, the BC government was negative towards the Kyoto Protocol. While the strong provincial climate policies show that climate change is a priority in the province, the BC government did not support ratification. This may be interpreted as a support to the government’s made-in-Canada approach, seeking to develop solutions tailored to suit national interests. BC’s reactions to the withdrawal from Kyoto support this claim. BC Environment Minister Terry Lake has shown leadership in promoting climate change policies in BC but has on multiple occasions expressed a concern for what Kyoto implementation may mean for BC in terms of economy. After the withdrawal, Lake stated: “I understand the federal position (...) [The withdrawal] really doesn't impact British Columbia because we've got our own climate action targets” (CBC News 2011b). This position clearly indicates that Lake views BC climate policy as separate from Kyoto implementation. There seems to be a relative consensus that although climate change is a priority, Kyoto is not viewed as the right solution.

Based on the BC example, one might say that implementing Kyoto in all provinces would have been a difficult task, even if the Liberals had won the federal election in 2006 (Informant 5). Simeon’s claim that the provincial governments will prioritize a local approach over a federal one is evident in Lake’s statement. It also shows that the autonomy of the provinces allowed BC not to get involved in the Kyoto discussion, as they had already addressed the climate issue with a local solution.

Alberta and the US influence at the sub-national level

Alberta is the Canadian province that generates the most carbon emissions. As mentioned, this is largely due to the production of crude petroleum from the massive oil sands reserves. Emissions from the oil sands generation are higher than conventional oil, due to the heavy characteristics of the crude and the energy intensive extraction process. Further emissions are released as a consequence of the extensive refining process in separating crude oil from the sand it is absorbed in when extracted (Demerse 2011). Emissions from the oil sands are the fastest growing source of emissions in Canada. In 2005, the emissions measured 32 metric tonnes of CO_{2e} (Mt) and by 2010 they had grown to 48 Mt. As a result of planned growth in

line with current federal and provincial policies, emissions are projected to reach 104 Mt by 2020 (Environment Canada 2012a). As shown in Figure 5.2, the fact that the oil sands are concentrated in Alberta and Saskatchewan, amounts to very high emissions for these provinces alone. Emissions in other industries are expected to drop or to grow much slower. Towards 2020, the Pembina Institute's scenarios show that the oil sands will be responsible for nearly four times more of the projected emissions growth than all other industrial sources combined (Demerse 2011).

When Kyoto was ratified in 2002, it “turned the world upside down for Alberta’s oil patch” (Brownsey 2005:200). As mentioned, the Albertan opposition against Kyoto was the strongest in Canada, much due to the rapidly increasing emissions in the province. In order to influence public opinion on the Kyoto matter, the Alberta government spent a considerable amount of resources on raising opposition against the Kyoto Protocol, including a 1.5 million CAD media campaign (CTV News 2002). Although being actively against Kyoto, Alberta has made several attempts at reducing emissions through local initiatives (Informant 3). What is special about Alberta is that due to the oil sands, the federal government is more involved in its climate and energy solutions than in other provinces. The federal involvement is particularly evident in the Keystone case. The case is an illustration of how the lack of coordination leads to inefficiency, and further illustrates the US influence on the oil-abundant provinces.

In 2012, Canada’s energy infrastructure provider, TransCanada, proposed a pipeline project known as Keystone XL.²⁸ The pipeline is planned to transport crude oil from Alberta to a market hub in Nebraska. From there the crude oil would be shipped to Gulf Coast refineries. In the Keystone case, as with Kyoto, the lack of coordination between the federal and provincial levels on climate policy has led to inefficiency. The Keystone pipeline would require 1400km of pipeline, and would have the capacity of transporting 830,000 barrels of oil per day. Thus, a significant expansion of Alberta’s export market was to be expected (Parfomak et al. 2013). Because the pipeline would cross the US border, the construction requires a permit from the US State department. The US will make the decision based on an assessment of the potential impact the pipeline would have on its environment, energy security, economy and foreign policy among other factors (Parfomak et al. 2013).

²⁸ The 2012 proposal is the second attempt to get the pipeline approved. The first Keystone proposal was denied in 2008 by the US State Department due to environmental concerns. In the 2012 proposal the route has been modified to avoid vulnerable areas in the US (Parfomak et al. 2013).

Keystone would represent an important step in realizing Canada's (and Alberta's) competitive energy potential, but has proven to be a challenge. The Obama administration has been hesitant due to the possible environmental consequences from realizing the pipeline. The administration has seen major reactions from key ENGOs, and extensive resistance against the project in the US (Off 2013). The US administration has asked for more information on how the Canadian government plans to achieve emissions reductions. Some have highlighted that what the US needs from Canada to approve Keystone, is a strong commitment to reducing emissions (Demerse 2011). So far, coming up with a policy solution that will make the US approve Kyoto has been trapped between the governance levels.

Interesting in this regard, is the different approaches of the Alberta and the federal governments in terms of providing a realistic plan for CO₂ reductions. Former Alberta premier Alison Redford²⁹ proposed a 15 CAD per tonne carbon levy on large industrial emitters that are unsuccessful in meeting their reduction targets. As of 2007, large emitters in Alberta are obliged to reduce their emissions by 12% each year, in order to avoid the tax (CBC News 2007b; Fekete 2013). She recently stated: "The federal government needs to be supportive of that policy (setting a carbon price) in areas where it can actually make a difference to the outcome. Simply symbolically setting a price doesn't actually achieve an outcome (Alison Redford as cited in (Fekete 2013))". She has further stated that "the Alberta government will "continue to set a price on carbon and invest in technologies, [...] we in Alberta think it makes a difference (Off 2013)".

In contrast, the Canadian minister of Natural Resources has taken a different approach to the Keystone issue. Although having the same goal as Alberta, policy instruments such as a carbon tax are not a priority for the federal government. In an interview at the CBC news show *Power & Politics*, the minister stated that a carbon tax is not anything the federal government is considering: "We didn't talk about a carbon tax and we're not going to and the United States isn't contemplating that at all (CBC News 2013b)". Environment minister Kent, on the other hand, has expressed a more nuanced view, saying that the Alberta and federal governments were on the same page with regard to "taking action to significantly cut emissions" (Scofield 2013). The Keystone case thus illustrates the diverging approaches to climate policy, even among governance levels that in turn have the same interest – to realize the pipeline. The Keystone case is now in a stand-still, and will most likely be postponed until

²⁹ Ms. Redford resigned from the position of premier on 14 March 2014 (CBC News 2014).

the end of Obama's presidential term.

The provinces BC and Alberta provide examples of the lack of coordination between the provincial and federal jurisdictions in terms of climate policy. In line with Simeon's claim, this lack of coordination has bred inefficiency. Harrison's conclusion regarding Canada's ratification of Kyoto was that climate policy has been passed between the two governance levels. Following Harrison's logic, the withdrawal became the outcome of a long conflict between the two levels on the Kyoto issue. Furthermore, the most effective climate policies in Canada are found at the provincial level, and many provinces viewed Kyoto as "not needed", as local solutions were and had always been preferred.

5.4 Summary

This chapter has focused on the sub-national level, through analyzing the role of interest groups and federalism in Canadian climate policy. In the beginning of this chapter, I asked the following questions that can now be answered:

- 1) Has interest groups influenced the withdrawal from Kyoto?
- 2) Has federalism influenced the withdrawal from Kyoto?

Firstly, according to Milner, interest groups with interests aligned with the strongest parties have an advantage in making their preferences heard. Interest groups thus represent an important factor in influencing international cooperation. We have seen that the oil industry clearly dominated the Canadian lobby-channels and public debate. This was made possible due to a strong constellation consisting of the Alberta government, the Conservative party and the oil industry. ENGOs were clearly underrepresented in the debates both before and after the withdrawal. Thus, there was an imbalance in influence among different types of interest groups. In line with Milner, the domination of industry increased their influential power, and is thus likely to increase the chance of withdrawal.

Secondly, interest groups are linked to federalism, due to the jurisdiction each province has over managing its own natural resources. At the same time, the jurisdiction is partly overlapping between the provinces and the federal level. Harrison highlights that this "grey zone" may lead to conflict when it comes to implementing federal climate policies. I have showed that the Kyoto resistance was evident in two respects. On the one hand, there was an

opposition against the decision being made without consulting the provincial governments. This opposition included both the Kyoto-friendly and the Kyoto-opposing provinces. On the other hand, there was also opposition against the principles of Kyoto, based on concerns for how it would affect the province industry and economy. The latter view was voiced only by provinces that feared financial losses from implementing Kyoto, such as Alberta.

The opposition against Kyoto meant that the Conservatives knew they would not meet resistance from the provinces if they were to withdraw. This represents an important underlying factor that legitimizes the Conservatives' withdrawal. Furthermore, the federalism factor is linked to the increased compliance costs discussed in Chapter 4. As the oil price increased, the oil sands in Alberta became more profitable and thereby provided an increased incentive to withdraw from Kyoto.

Having reached the end of this third analysis of Canada's withdrawal, one point is worth clarification. My analysis of Canada illustrates that in some cases, it is necessary to open the black box to explain state behavior at the international level. Nevertheless, for the purpose of reaching an increased understanding Canada's decision, there are a few characteristics of the remaining Kyoto parties that give an indication of why some states continued in the Protocol. For example, the EU has resumed the spot as the international leader on climate change after the US pullout, and thus has a strong interest in remaining a party (Hovi et.al 2003). Furthermore, Russia has such lenient reduction targets that it does not have to fear non-compliance, and Japan is likely to feel ownership to the agreement as the Protocol was conceived in Kyoto.³⁰ In short, although Canada's domestic situation combined with the free riding incentives in Kyoto pointed towards withdrawal, this is not necessarily the case for other Kyoto parties.

³⁰ Japan and Russia announced in 2011 that they will not continue to the next commitment period

6 Conclusion: What is so special about Canada?

In this final chapter, I summarize the thesis (section 6.1), list my main findings (section 6.2) and discuss which explanatory factors were most important for Canada's withdrawal (section 6.3).

6.1 Summary

This thesis has considered the following research question: *What explains Canada's withdrawal from the Kyoto Protocol?* I investigated this research question at three levels – the international, the national, and the sub-national. Each level was considered in a separate chapter and each of these chapters addressed a separate sub-question. The presentation was organized as follows:

Chapter 2 provided a brief historical background on the development of climate policy in Canada.

Chapter 3 considered the first sub-question: *To what extent can the free rider problem explain Canada's withdrawal from the Kyoto Protocol?* Here I discussed Canada's free riding options in Kyoto in light of the collective action theory. Furthermore, I utilized compliance theory to analyze the consequences of the withdrawal. Lastly, I discussed different explanations for the timing of the withdrawal.

Chapter 4 addressed the second sub-question: *To what extent can institutions, preferences and information explain Canada's withdrawal?* Using a framework based on Milner's theory of two-level games, I discussed national-level explanations for the withdrawal. Firstly, I outlined Canadian federal institutions' authority to make decisions internationally. Secondly, I analyzed developments in foreign policy preferences from Canada's ratification of Kyoto to its withdrawal. Thirdly, I discussed Canada's compliance costs, and how uncertain information affected the Kyoto process in Canada.

Chapter 5 aimed to answer the third sub-question: *To what extent can interest groups and federalism explain Canada's withdrawal?* Here I discussed the degree of influence industry

and Environmental NGOs had on the withdrawal. Moreover, I looked at the role the federal structure has played in the Kyoto process.

6.2 Main findings

My main findings can be summarized as follows: Firstly, at the international level withdrawal was the best free riding option for Canada in the Kyoto regime. This conclusion is in line with the logic in the one-shot n-player prisoners' dilemma game: the rational option for any state is to defect from the agreement. Moreover, the collective action logic suggested that withdrawal was an attractive option for Canada, as the costs of compliance would be much higher than the projected benefits. Furthermore, as the enforcement school suggests, the weak enforcement mechanisms in Kyoto entailed that there were few consequences of withdrawal. Still, according to the (symmetric game) model applied in the analysis, this logic holds also for the other Kyoto parties. The next chapters therefore sought to identify national and sub-national factors that explain why Canada in particular withdrew from Kyoto, as it was the only state to formally withdraw.

Secondly, I identified two main explanatory factors at the national level through a framework based on Milner's theory of two-level games. 1) The change in government in 2006 was the start of a Canadian foreign policy with less focus on international cooperation. The Conservative government was anti-Kyoto, so the likelihood of withdrawal increased when they gained majority in 2011. This development is in line with Milner's argument that if the executive's preferences change in favor of the most hawkish actor, the likelihood of cooperation is reduced. 2) Milner holds that asymmetrical information among domestic actors influences international cooperation. However, in the Canada- Kyoto case all domestic actors had access to roughly the same information. The information about compliance costs was uncertain and changed significantly over time. Thus, what was deemed as rational ten years ago was no longer rational in 2011. Although the Conservatives were against Kyoto since its inception, it is likely that the major increase in the global oil price reinforced the motivation to withdraw.

Thirdly, I also identified two main factors at the sub-national level. 1) Milner argues that alliances between parties and interest groups may influence decisions at the international level. I found that the oil industry's alignment with the Conservative party and the

government of Alberta gave the anti-Kyoto side considerably more muscle to influence the Kyoto debate and the lobby channels. 2) The provinces' resistance can be divided into two types: one was based on whether Kyoto represented a threat to economic growth (e.g., this form of resistance was strong in Alberta). The other form of resistance was rooted in Canada's constitutional framework, which grants the provincial and federal levels shared jurisdiction over climate policy. In turn, this constitutionally rooted resistance entailed that all provinces except two opposed Kyoto.

Implications of the main findings

In the introduction to this thesis, I stated that withdrawal is a strong expression of the challenges in international climate agreements. In line with central contributions in this field, this study confirms that the free riding problem in international climate cooperation is not to a sufficient degree handled in Kyoto (Barrett 1994; 2003; Finus 2008; Victor 2011). Although domestic affairs played a significant role in Canada's withdrawal, the Kyoto design further facilitated free riding. The withdrawal entailed few (if any) consequences for Canada, in part due to the lack of participation enforcement in Kyoto. Another central implication of my findings is that incorporating the sub-national and national levels are highly important to comprehend Canadian climate policy, also internationally. Although the decision to withdraw was made at the national level, the provinces played a significant role in the Kyoto process. Thus, future studies of Canadian participation in international climate regimes should pay considerable attention to the intertwined relationships between the provincial and federal governments. I found that the provincial resistance was partly due to a federal-provincial conflict and any future Canadian attempt to re-engage in international climate cooperation may well stir similar reactions.

6.3 Which factors can best explain Canada's withdrawal?

All of the above-mentioned factors contributed to the Canadian resistance against Kyoto and may therefore help explain the withdrawal. As discussed in the introduction, it is likely that these factors to some extent influence each other. In order to identify the most important factors, it is thus useful to consider the relationships between them.

It is reasonable to assume that if a factor contributed to resistance against Kyoto at the point of ratification, and remained roughly constant in the period up to 2011, it did not directly cause the withdrawal. After all, that factor was not enough to keep Canada from ratifying Kyoto in the first place. However, we have seen that most factors gained increased influence in the years following the ratification:

The US is an important factor with influence on all levels. However, the US pullout from Kyoto happened before Canada's decision to ratify, and thus did not represent a barrier for Canada's ratification. Moreover, the US position remained more or less constant throughout the whole period (2002-2011). It thus provides an underlying justification for withdrawal, but is unlikely to have caused it directly.

Two factors are particularly likely to have acted as catalysts for other factors: the change in government and the increased compliance costs. Both factors constitute – to a larger or lesser extent – unforeseen developments that increased the likelihood of withdrawal.

Firstly, the change in government gave the Kyoto-skeptic Conservatives the power to act on their preferences. These preferences were aligned with those of other Kyoto-skeptic powers at the sub-national level such as the oil lobby and the oil abundant provinces. Thus, the election of the Conservatives increased the influential power of the oil lobby and the provinces, thereby further increasing the likelihood of withdrawal.

Secondly, the sharp increase in Kyoto's compliance costs gave the Conservative government a good reason to strengthen their skepticism towards Kyoto. As discussed in Chapter 3, the Kyoto Protocol already contained a free rider problem. With the increased compliance costs, free riding became even more attractive. In the view of the Conservative government, a tradeoff existed between implementing Kyoto and securing profit from the oil sands. As the profitability of the oil sands grew, the projected costs of implementing Kyoto increased correspondingly. Furthermore, both the oil lobby and the oil-abundant provinces experienced increased profits due to the increased oil price. Their anti-Kyoto sentiments grew correspondingly.

A second dimension of the provinces represents another interesting finding. It was not just the provinces with a financial stake in Kyoto that opposed the agreement. Even the "green" provinces such as BC proved to be negative towards Kyoto. My analysis reveals a conflict rooted in the shared jurisdiction over climate policy that exists in Canada. This conflict

brought federal climate policy to a standstill. Each province has responded to the lack of federal action by developing local climate policies, independently of the federal level. Thus, the provinces add an important dimension to the other key factors.

In conclusion, the combination of a massive increase in Canada's compliance costs, the change in government, and the Canadian federal structure explain Canada's 2011 withdrawal from the Kyoto protocol.

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Appendix 1 List of informants

Number of informant*	Title	Date of interview	In person/telephone
Informant 1	Advisor at the department of Foreign Affairs, Trade and Development, Canada	07.01.2014	Interview via telephone
Informant 2	Former advisor and negotiator at the Government of Canada	01.05.2014	Interview via telephone
Informant 3	Professor and expert on Canadian climate policy	15.03.2014	Interview via telephone
Informant 4	Representative from the Norwegian delegation to the UNFCCC	10.02.2014	In person
Informant 5	Associate Professor and expert on Canadian climate policy	12.05.2014	In person

*All informants are referred to by reference number in the text.

Appendix 2 Interview guide

Informant

Name:

Date:

Position:

Field:

Confidentiality

All information will be treated confidentially. No quotes will be made without the informants' permission.

Anonymity is granted if preferable.

Presentation

I am writing my master's thesis at the Department of Political Science at the University of Oslo. The thesis seeks to investigate the drivers behind Canada's withdrawal from the Kyoto Protocol.

Questions (Follow-up questions marked with indent)

- Can you please state in what regard you have worked with Canadian climate policy and your knowledge of the Kyoto process in Canada?
- Would you say that the withdrawal from Kyoto was expected?
- The timing of the withdrawal was very close to the end of Kyoto's 1st period. Why do you think the government saw it fit to withdraw at this time?
 - Why not before?
- Would you say that the withdrawal has had consequences for Canada?
 - In terms of Canada's international reputation?
 - Conservatives public support?
- What you view as the main changes in foreign policy from the Liberals to the Conservatives?
 - Withdrawal from international treaties
 - Nationally oriented approach
 - Economic concerns
 - Closer US cooperation
 - (Alternatives not to be listed for respondent)
- What do you view as the main drivers behind the withdrawal?
 - Ideology
 - Economic concerns
 - Relationship with the US
 - (Alternatives not to be listed for respondent)
- In your view, what is the role of the US in influencing Canada's climate policy?
- In your view, what has been the role of interest groups in the Kyoto process?
 - What are their main channels of influence?
 - Imbalance between NGO's and industry?

- How do provincial and federal governments work on climate policy?
 - Defined jurisdiction?
 - Conflict between levels?
 - Similar disputes in the past?
- The provinces: what was their role in the Kyoto process?
 - Which provinces were the main actors?
 - How did they react to the withdrawal?
- In your view, are there any other important aspects of the withdrawal that we have not discussed?
- Any recommendations for literature on this subject?
- Any recommendations for people I should contact further?

Thank you for your time.

Appendix 3 Map of Canada



Source: Government of Canada (2002)

